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FBIS-EAS-90-123 CONTENTS *26 June 1990*

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NORTHEAST ASIA

Japan

Reports Urge Improving Trade, Business Practices 1
  Establishing Forums Suggested *[KYODO]* 1
  'Unfair' Practices Alleged *[KYODO]* 1
  Consumer Orientation Advised *[KYODO]* 2
Official 'Optimistic' on SII Talks, Outcome *[KYODO]* 3
Ishihara on LDP Rejection of Demands on U.S. *[KYODO]* 3
U.S. Deficit Reduction Efforts To Be Urged *[KYODO]* 4
U.S. Deputy Trade Representative Interviewed *[KYODO]* 4
'Full Text' of Japanese-U.S. Treaty Statement *[KYODO]* 5
JSP Representative Views U.S. Security Pact *[Moscow International]* 5
Kaifu Apologizes for World War II Dead *[KYODO]* 6
U.S. Fighters To Practice Night Landings *[KYODO]* 7
Soviets Said Ready To Focus on Japanese Ties *[KYODO]* 7
Soviet Payment Delays Reportedly Surging *[KYODO]* 7
Academics, Officials Discuss War Detainees Issue *[KYODO]* 8
USSR Releases Four More Detained Fishermen *[KYODO]* 8
Economics Complicate Chernobyl Relief Effort *[KYODO]* 8
Gorbachev Expected To Clarify Stance on Islands *[KYODO]* 9
Official To Ask China To Influence Khmer Rouge *[KYODO]* 9
Report Forecasts Continued Economic Growth *[KYODO]* 10
Indicators Suggest Economy Remains Robust *[KYODO]* 10

Mongolia

P. Ochirbat Discusses Development Goals *[Ulaanbaatar International]* 11
Law Enforcement Bodies Criticized; Changes Urged *[Ulaanbaatar International]* 11
Proposals Benefitting 'Rationalizers' Approved *[Ulaanbaatar International]* 11
Great Hural To Publish Draft Pension Law *[Ulaanbaatar International]* 11
Capital Construction Movement Holds Congress *[Ulaanbaatar International]* 11

North Korea

Pyongyang Agrees to Preliminary Talks With ROK *[KCNA]* 12
AAPSO Delegates Support Reunification Plans *[KCNA]* 12
Appeal for World Support of Korean Struggle *[KCNA]* 13
No Tae-u Group 'Created' Student Incident *[KCNA]* 13
Pyongyang Protests U.S.-ROK 'War Exercises' *[KCNA]* 14
More on Activities Marking War Anniversary 14
  Party Official Speaks *[KCNA]* 14
  U.S. 'Aggressors' Condemned *[KCNA]* 15
Newspaper Says U.S. on 'Road of Aggression' *[KCNA]* 16
Japan's Participation in NATO Meeting Decried *[KCNA]* 16
Soviet Rowers Perform Off Chongjin 25 Jun *[KCNA]* 17
Further on Belgian Labor Party Delegation Visit 17
  Meets With Kim Yong-sun *[KCNA]* 17
  Kim Il-song Receives Group *[KCNA]* 17
Pakistani Party Leader Praises Kim Il-song *[KCNA]* 17

Egypt's Leader Wishes DPRK 'Constant Success' *[KCNA]* 17
Kim Il-song Sends Message to Mozambican Leader *[KCNA]* 17
Article Marks Mozambican Independence Anniversary *[KCNA]* 18
Western Saharan Leader Supports Unity Proposal *[KCNA]* 18
Kim Il-song Sends Message to Malagasy President *[KCNA]* 18
NODONG SINMUN 25 Jun Issue Reviewed *[KCNA]* 18
Defectors Show Reverence Toward Kim Il-song *[KCNA]* 19
Newspaper Comments on 'Ardent Loyalty' to Party *[KCNA]* 19
'Pochonbo Torch Prize' Games Begin 25 Jun *[KCNA]* 20

South Korea

North Agrees To Hold North-South Talks 3 Jul *[Seoul Radio]* 20
Pak Chol-on Quoted on Northern Policy, Summit *[YONHAP]* 20
Editorials Discuss War on 40th Anniversary *[TONG-A ILBO, etc]* 21
Business Group To Promote Inter-Korean Trade *[YONHAP]* 22
Report Outlines Goals for Exchanges With North *[YONHAP]* 22
North's Scientists Not Participating in Symposium *[YONHAP]* 22
Business Groups Postpone Soviet Investments *[THE KOREA HERALD 26 Jun]* 23
Government Approves Hyundai Venture in Siberia *[YONHAP]* 23
Dusan To Export Ginseng Products to USSR *[THE KOREA TIMES 23 Jun]* 23
Direct Communication Lines To Open With Vietnam *[THE KOREA HERALD 24 Jun]* 23
Romanian Economic Delegation Arrives in Seoul *[THE KOREA HERALD 24 Jun]* 24
Increase in EC 'Protectionist Moves' Noted *[THE KOREA TIMES 24 Jun]* 24
Indonesian Foreign Minister Arrives for Visit *[THE KOREA TIMES 24 Jun]* 24
Government, Red Cross Send Relief Funds to Iran *[YONHAP]* 24
Government Loan for Philippine Joint Venture *[YONHAP]* 25
Beef Talks With New Zealand Begin Today *[YONHAP]* 25
Lawmakers Debate Changing to Cabinet System *[YONHAP]* 25
Implications of 'Populist' Party Analyzed *[THE KOREA HERALD 24 Jun]* 25
Former Provincial Governor Arrested for Bribery *[YONHAP]* 27
Former National Railroad Official Arrested *[YONHAP]* 27
PPD Wants Broadcasting Plan Dropped *[YONHAP]* 27
New Vice Army Chief of Staff Appointed *[THE KOREA TIMES 24 Jun]* 28
Unified Ad Law, Regulations Proposal Announced *[YONHAP]* 28

SOUTHEAST ASIA

Burma

Moscow Comments on Transfer of Power to NLD *[Moscow International]* 29
Agriculture Minister on Border Area Resettlement *[Rangoon Radio]* 29
Officer Denies Returnees Conscripted or Raped *[Bangkok THE NATION 20 Jun]* 30

Cambodia

Phnom Penh Criticizes 'Four-Party Formula' *[Phnom Penh Radio]* 31
Hun Sen Meets UN Deputy Secretary General *[SPK]* 31
Hun Sen Receives New Cuban Ambassador *[SPK]* 31
Phnom Penh Reports 17-19 Jun Battle Activities *[Phnom Penh Radio]* 32
3d Military Region's 1989-90 Dry Season Actions *[Phnom Penh Radio]* 32
VOK Interviews Son Sann on Future Peace Talks 32
MiG-21 Reportedly Used in Kompong Thom Attack *[Bangkok BANGKOK POST 26 Jun]* 34
Resistance Said To Occupy Stretch of Route 3 *[Radio VODK]* 35
17 Jun Attacks on 'Intervention Forces' Reported *[Radio VONADK]* 35

Indonesia

Official Urges Taiwan's Help for Economic Growth *[ANTARA]* 35
Air Force Chief Offers Use of Field to Malaysia *[SUARA PEMBARUAN 14 Jun]* 36

Laos

- Cambodian Issue After Tokyo Meeting Analyzed *[Vientiane Radio]* 36
- First Nationwide Financial Conference Opens *[Vientiane Radio]* 36
  - Kaysone Phomvihan Speaks *[KPL]* 37
  - Sali Vongkhamsao Reports *[KPL]* 38
- Article 29 of Lecture on Draft Constitution *[Vientiane Radio]* 38

Philippines

- Aquino Discounts Full Ties With Taiwan *[PHILIPPINE DAILY GLOBE 26 Jun]* 38
- Manglapus on Joining UN Spanish-Speaking Bloc *[THE MANILA CHRONICLE 25 Jun]* 39
- Embassy in Kuwait Faces Closure Over Kidnapping *[Manila Radio]* 39
- Aquino Says Mitra Supportive of Kabisig *[Manila Radio]* 40
- Column Lauds Mitra's Opposition to Kabisig *[PHILIPPINES NEWSDAY 26 Jun]* 40
- Senator Views Chances of Aquino Reelection Bid *[PHILIPPINES NEWSDAY 25 Jun]* 41
- Aquino Urges Patience in Probe of Concepcion *[Quezon City Radio]* 41
- Aquino Estate's Stock Option Plan Said Legal *[THE MANILA CHRONICLE 23 Jun]* 42
- Aquino on Request for Promotion of Lim's Daughter *[Manila Radio]* 42
- Analysis Views Benefits of Naval Buildup *[THE MANILA CHRONICLE 25 Jun]* 42
- Military Reportedly Suffered High Casualties *[PHILIPPINES NEWSDAY 25 Jun]* 43
- De Villa Confirms NDF Counterfeiting Activities *[THE MANILA CHRONICLE 22 Jun]* 44
- 'Strategic Victory' Against Insurgency Seen *[Manila Radio]* 44
- NDF Indemnifies Relatives of Massacre Victims *[THE MANILA CHRONICLE 25 Jun]* 45
- Another Communist Hit Squad Member Arrested *[PHILIPPINE DAILY INQUIRER 23 Jun]* 45
- Slowdown in Agricultural Growth Reported *[PHILIPPINES NEWSDAY 20 Jun]* 45
- Reduced Coal Imports Registered in 1st Quarter *[BUSINESS STAR 22 Jun]* 46

Thailand

- Bush-Chatchai Talks on Cambodian Issue Reviewed *[SIAM RAT 25 Jun]* 47
- Future of Would-Be Vietnamese Refugees Unclear *[BANGKOK POST 22 Jun]* 47
- Prospects for Rice Exports After SRV Shortfall *[BANGKOK POST 16 Jun]* 48
- Surplus in May Border Trade With Laos Noted *[Radio VOFA]* 48
- First Naval Exercises With Australia 24-27 Jun *[BANGKOK POST 19 Jun]* 48
- Opposition Files No-Confidence Motion 21 Jun *[THE NATION 22 Jun]* 48
- Phalang Tham Party Leader on Possible Coup *[BANGKOK POST 26 Jun]* 49
- Interior Minister Says Government Still Stable *[THE NATION 22 Jun]* 49
- Industry Minister on Chat Thai Party Leadership *[THE NATION 25 Jun]* 50
- Commentator Calls for End to Political 'Charade' *[THE NATION 25 Jun]* 50
- Chatchai's Options, Chavalit's Desires Analyzed *[BANGKOK POST 24 Jun]* 51
- Army Radio Says Chavalit Set 'Good Example' *[THE NATION 22 Jun]* 51
- Commander Says Military Staying Out of Politics *[BANGKOK POST 23 Jun]* 52
- Army Commander Wants Military Budget Increase *[BANGKOK POST 24 Jun]* 52

Vietnam

- Council Report Continues on Socioeconomic Plan 53
  - Installment Two *[Hanoi Radio]* 53
  - Installment Three *[Hanoi Radio]* 54
- National Assembly Holds Discussions 23 Jun *[Hanoi Radio]* 55
- National Assembly Discusses Law on Maritime *[Hanoi Radio]* 55
  - Debates Operations *[Hanoi Radio]* 56
- Deputies Urge Foreign Investment, Tax Measures *[Hanoi Radio]* 56
- Vo Nguyen Giap Departs for Indonesia, Malaysia *[Hanoi Radio]* 57
- Joint Timber Venture With Australia Inaugurated *[VNA]* 57

AUSTRALASIA

Australia

Editorial Urges Burma's Military To Step Down *[THE AUSTRALIAN 8 Jun]* 58

Fiji

Opposition Seeks To Block New Constitution *[AFP]* 58
Chiefs Approve Pro-Fijian Draft Constitution *[AFP]* 59

Papua New Guinea

Indonesian Troops Cross Border To Pursue Rebels *[Melbourne International]* 59
Cabinet Reshuffled; Four Ministers Dropped *[AFP]* 59

Japan

Reports Urge Improving Trade, Business Practices

Establishing Forums Suggested

OW2006152690 Tokyo KYODO in English 1219 GMT 20 Jun 90

[Text] Tokyo, June 20 KYODO—The Ministry of International Trade and Industry (MITI) should require each industrial sector to set up a forum to make its trading practices more rational and clear to outsiders, a government report said Wednesday.

The forum should be aimed at correcting the Japanese way of commercial transactions that is often criticized for being distorted and anticompetitive because of such exclusionary practices as rebates and returning unsold goods to makers or wholesalers, the report said.

The 16-page interim report was compiled by a joint meeting between the subcomittees under MITI's Industrial Structure Council and Small and Medium Enterprise Policy-making Council. It provides a diagnosis and prescription for each of nine categories of trade practices that can be barriers to outsiders, especially foreign firms seeking access to the Japanese market.

With regard to rebates, the report called for clear and open standards for supplying rebates, simplification of complicated rebate systems, and more use of discounts instead of rebates.

On the practice of returning unsold goods, the report recommended that traders make clear the terms for permitting such practices.

If makers indicate prices at which they want their products to be sold, the report said, they should make it clear that the prices are not binding. And such maker-set prices should not be significantly higher than the market prices, it said.

Referring to the so-called Keiretsu, or tightly affiliated relations between makers and retailers, the report said retailers should be encouraged to sell goods produced by non-affiliated companies. In order to tackle these exclusionary trade practices, each industry should establish a forum for discussions open to consumers and foreign companies.

The report called on industry organizations and MITI to set up systems to handle complaints concerning these practices. The recommendations reflected Japan's pledge to make its trade practices fairer and more transparent, as stated in the April interim report on bilateral trade talks with the United States designed to remove structural barriers to trade and investment.

The contents of the report will be included in a final report on the Structural Impediments Initiative talks due out in July, MITI officials said. In the same vein, the Fair Trade Commission announced guidelines for applying the antimonopoly law to such practices last week.

'Unfair' Practices Alleged

OW2206130690 Tokyo KYODO in English 1218 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—The government should throw a finer dragnet of guidelines over manufacturers and distributors engaging in unfair business practices, a government report said Friday. The report, compiled by an advisory panel to the chairman of the Fair Trade Commission [FTC], was notable for its suggestion of the setting up, for the first time, of detailed criteria for defining a practice known as "coordinated boycotting" or group boycotts.

Examples of this practice cited in the report are makers or wholesalers who try to keep prices up by jointly refusing to sell their products to discount stores.

The 110-page report is a follow-up to Japan's promise in an interim report on trade talks with the United States to remove structural barriers to bilateral trade and investment.

In the report on the Structural Impediments Initiative (SII) released in April, Japan undertook to formulate guidelines clarifying criteria for the enforcement of Japan's antimonopoly law vis-a-vis the marketing policies between manufacturers and distributors.

The report said the FTC should clamp down on such exclusionary practices as "coordinated boycotting" with a view to improving the quality of people's lives, enhancing foreign access to Japanese markets and making them more rationalized and compatible with international practice.

Also spotlighted in the report as an example of unfair business practices are exclusionary transactions between parent companies and their subordinates, in which a company tries to restrict the business of its subordinate's trading partners.

All told, the report called for establishing guidelines setting out criteria by which the FTC may seek indictments under the law covering 10 categories of trade practices.

Besides covering group boycotts and relations between parent and subordinate companies, the guidelines cover retail price fixing, manufacturers' price setting, rebates, and the returning of unsold goods to makers or wholesalers.

On rebates, the report said that if "leading enterprises" provide rebates which would result in a lessening of competition, the rebates should be considered violations of the law.

The report also urged the FTC to set guidelines to clarify criteria covering import agents, making it clear that foreign enterprises will equally be subject to the new standards.

It also called for guidelines covering trading relations between companies that have constant transactions or cross shareholding. It said if cross shareholding furthers anticompetitive practices, the FTC should be able to order the companies to sell the shares. Cross shareholding has been targeted for criticism by the U.S. which claims the practice often encourages exclusionary relations among affiliated firms.

Other recommendations made in the report include schemes for monitoring the activities of industry organizations, a review of exemptions to the law and companies' own efforts to augment in-house systems to prevent anticompetitive actions, and the establishment of codes of conduct.

An advisory panel to the Ministry of International Trade and Industry (MITI) recently released a package of similar recommendations calling on each industrial sector to set up a forum to tackle the issue. The FTC is expected to follow through the recommendations, formulating guidelines by the end of the current fiscal year, FTC officials said.

Consumer Orientation Advised

OW2206084390 Tokyo KYODO in English 0351 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—The government should be more consumer-oriented in pursuing its avowed policy of modifying the Japanese economic structure into one more consistent with the world economy, the Economic Restructuring Committee said Friday.

The committee, a panel of the Economic Council, an advisory panel to the prime minister, said in a report that the government is still lax in restructuring Japan's economic system in a way that will better consumer life in various fields, including land, commodity prices, and labor.

The government should step up efforts to upgrade the lifestyle of the people by putting greater emphasis on the consumption side of living, not simply on production, it said.

The report, submitted to Prime Minister Toshiki Kaifu during the council's general meeting earlier in the day, is designed to review annual progress in Japan's restructuring efforts under a five-year plan launched in fiscal 1988. The plan is intended to provide the government with direction for its medium-term economic management.

On the land problem, which the report called the "most urgent task," the government should speed up tax and other reforms to improve the supply-demand balance in assets by reducing the wide gap between the haves and the have-nots of wealth created directly and indirectly by inflated land prices. The report pointed out that inflationary spirals in land prices which have been brought under control in and around Tokyo have been quickly spreading to other big cities.

It also called on the government to do more to bring domestic prices down and into line with those in other countries through revision of government restrictions and business practices which are particular to Japan. Traditional institutions are to blame for higher prices and are preventing the market mechanism from functioning properly, it said.

To create a freer and fairer market, the report said the government should stiffen enforcement of the antimonopoly law and review the large-scale retail stores law, which protects small shopkeepers at the expense of consumers. Japan has been criticized by the United States for its high commodity prices, which it charges are one of the major trade barriers to foreigners, at the ongoing bilateral Structural Impediments Initiative (SII) talks aimed at eliminating barriers to trade and investment in the two countries.

The report also proposed that the government reduce food controls, especially that on rice, to provide the market greater pricing authority.

Terming government efforts toward fewer working hours insufficient, the report urged the government to take the lead in a campaign to popularize the five-day-week. Total working hours of an average Japanese employee were 2,076 in fiscal 1989, ended March 31, far above the target of 1,800 hours the government has pledged to attain by fiscal 1992.

The report brushed aside a view voiced recently at home and abroad advoating Japan's trade surplus, saying that the recent downtrend in the imbalance must not be halted.

Advocates of Japan's current-account surplus, which covers trade in both goods and services, say Japan needs such a surplus to a certain extent to finance the economic reforms now under way in East European nations and ease the credit crunch on debtor countries in Latin America and Asia.

The report also said that the Japanese economy is moving "in a desirable direction," growing steadily amid strong domestic demand, though the growth tempo is expected to moderate in coming years.

To further the economic prosperity in Japan, the government should act appropriately and flexibly in its financial management, closely watching price performances, labor supply, rapid growth in money supply, and unstable foreign exchange rates, it said.

As the second-biggest economic power, Japan should make greater contribution to harmonious development of the international community, not only economically but also technologically and culturally, it suggested, adding that Japan must also boost investment in its own infrastructure to prepare for its aging population in the next century. But such investment must not damage sound environmental and energy policies, the committee concluded.

Official 'Optimistic' on SII Talks, Outcome

OW2306040190 Tokyo KYODO in English 0246 GMT 23 Jun 90

[By Shiro Yoneyama]

[Text] Washington, June 22 KYODO—U.S. trade officials left Friday for Japan for Structural Impediments Initiative (SII) talks in Tokyo to conclude a final report replete with "meaningful and measurable" results.

Meanwhile, a high-ranking official traveling with senior Japanese politician Shintaro Abe said the two countries could strike a deal over a final SII report during the Tokyo talks. The official made the optimistic assessment of the outcome of the meeting after the two countries exchanged drafts of their final reports Wednesday and Thursday.

He declined to elaborate other than to say the total amount of Japan's public works spending over a 10-year period remains one of the most contentious issues in SII.

Former Deputy Prime Minister Shin Kanemaru, a most powerful political figure in Japan, has hinted in Tokyo that Japan should increase public works spending to 450 trillion yen.

Launched nearly a year ago, SII calls for Japan and the U.S. to remove structural impediments to trade and investment in an unprecedented bid to narrow their intractable trade imbalance.

Japanese and U.S. officials predicted that the two countries may be forced to extend their two-day meeting, scheduled for Monday and Tuesday, by one day. "In this kind of meeting, there will be no agreement if we fail to seize the opportunity (in Tokyo)," a Japanese diplomat said, adding the deadline for finalizing SII will probably be Wednesday.

A U.S. official said the U.S. is counting on Japan to produce "meaningful and measurable" commitments to conclude the SII dialogue. "The (public works spending) figure itself is not measurable," the official said before leaving for Tokyo. "The number by itself does not solve the problem."

The official, speaking on condition of anonymity, said the U.S. anticipates "measurable" results from a final SII report which would reflect a better welfare system in Japan and an improvement in the current account imbalance between the two countries. "Congress is very cynical and skeptical" about SII, he said, while U.S. businesses are taking a wait-and-see attitude.

U.S. sources said Japan and the U.S. have to hammer out a final SII report while the co-chairmen of both countries are in Tokyo.

The source said Richard McCormack, undersecretary of state for economic affairs, and Japanese Deputy Foreign Minister Koji Watanabe are scheduled to attend a New York meeting of "sherpas" on the Houston economic summit June 29-30.

McCormack is personal representative of President George Bush while Watanabe represents Prime Minister Toshiki Kaifu at the annual gathering of leaders of the world's seven largest industrial nations in Texas on July 9-11.

U.S. Treasury Secretary Nicholas Brady warned in a meeting with Abe on Friday morning that failure to produce a good final report would prompt protectionist legislation similar to the Super 301 provision of the 1988 trade act.

The Japanese official who attended the Abe-Brady meeting said later President Bush, like Kaifu, wants SII concluded before the Houston summit.

Asked to comment on Abe's assertion in talks with Bush and his top advisers that a final SII report would be ready at the end of the upcoming Tokyo meeting, a senior U.S. official said, "I think he is too optimistic."

Ishihara on LDP Rejection of Demands on U.S.

OW2206103890 Tokyo KYODO in English 0925 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—Outspoken conservative legislator Shintaro Ishihara expressed disappointment Friday at ruling party rejection of a proposal he made demanding that the United States put its economy in order.

At a meeting with foreign press, Ishihara said top policy officials of the Liberal Democratic Party had rejected his nine-page list of specific requests aimed at the ongoing Structural Impediments Initiative (SII) trade talks. He said the officials told him the list did not reflect party opinion. "The LDP has no opinion," Ishihara said. "LDP opinion is to leave everything to the bureaucrats."

Speaking at the Tokyo Foreign Correspondents Club, Ishihara offered the draft to foreign reporters as a first step in a "roundabout" route aimed at prompting reaction abroad which he hoped would provoke debate in Japan.

His proposal, released Thursday, makes concrete demands of the U.S. including increasing spending on education to 5 percent of the gross national product, stiffening punishments for sex offenders, cutting operating hours of automatic cash machines from 24 to 12 hours and adopting a company, instead of industry-based, union system.

The U.S. has greeted past, modest requests by Japan with excuses, Ishihara said, shifting the blame to the U.S. Congress. But the novelist-turned-politician, co-author of the controversial book "The Japan That Can Say No," agreed that Japanese acceptance of U.S. market-opening demands was necessary to usher in the "era of the individual" to Japan.

Such measures alone, however, "absolutely won't cure" the chronic 50 billion dollar bilateral trade imbalance, he said, arguing the final solution lay in improving the competitiveness of U.S. goods.

Ishihara also scoffed at U.S. congressional critics accusing Japan of "free-riding" under the protection of U.S. military forces here. The legislator said Japan supplied a strategic location for forces here responsible for protecting U.S. interests from Hawaii to the Indian Ocean.

Japanese expenditures for U.S. troops here amounted to some 8 million yen per soldier annually, he said, an amount which he said equaled the yearly salary of the average Japanese salaried worker.

Ishihara said Japan should revise, not abrogate, the present U.S.-Japan Security Treaty to bring about a different type of burden-sharing.

At present, he said, Japan's Maritime Self-Defense Force (MSDF) amounted to little more than a division of the U.S. Seventh Fleet. Reorganizing the country's own security forces for greater tactical effectiveness would allow Japan to adequately defend the nation for the same money, allowing a reduction of U.S. forces here, he said.

U.S. Deficit Reduction Efforts To Be Urged

OW2406113090 Tokyo KYODO in English 1108 GMT 24 Jun 90

[Text] Tokyo, June 24 KYODO—Japan will urge the United States to redouble efforts to reduce its federal budget deficit in order to correct the bilateral trade imbalance at their trade talks in Tokyo on Monday and Tuesday, Japanese officials said Sunday. Japan will also suggest the need for a U.S. gasoline tax hike as part of such efforts during the Structural Impediments Initiative (SII) talks aimed at eliminating barriers to bilateral trade and investment, the officials said.

In an interim SII report issued in April, the U.S. responded to Japan's request for a deficit cut by referring to the goal of achieving a balanced budget by fiscal 1993 as mandated by the Gramm-Rudman-Hollings Act of 1986. Japan will call on the U.S. to strictly abide by that goal at the fifth round of SII talks devoted to producing a final report, the officials said. The U.S. balanced-budget law limits the budget deficit in fiscal 1991 (October 1990-September 1991) to 64 billion dollars, but higher interest rates and slower economic growth than projected under the budget are expected to boost the deficit to more than 100 billion dollars.

Japan will also express support for the U.S. Government's moves to ease antitrust regulations on industry to enhance business competitiveness, the officials said. At the same time, Tokyo will urge Washington to oppose congressional moves toward legislation aimed at excluding subsidiaries and affiliates of foreign companies from such relaxation.

In the SII dialogue, the U.S. is demanding of Japan a sharp increase in public works spending in the coming decade and other structural remedies to redress the bilateral trade imbalance, which totaled 49 billion dollars in Japan's favor last year.

U.S. Deputy Trade Representative Interviewed

OW2306135590 Tokyo KYODO in English 1327 GMT 23 Jun 90

[Text] Tokyo, June 23 KYODO—Deputy United States Trade Representative Linn Williams said on Saturday the U.S. prefers Japan to commit itself to increase public works spending to 500 trillion yen in the next 10 years in the context of reducing its chronic current account surplus. Williams said, "The figure of 450 trillion yen will not decrease the current account surplus very much at all, and the figures of 400 trillion yen or 415 trillion yen means no commitment."

Williams made the remarks in an interview with KYODO NEWS SERVICE at a hotel after he arrived in Tokyo to attend the fifth and final bilateral talks opening on Monday in the so-called Structural Impediments Initiative (SII) to reduce structural barriers to trade. Williams said that it is up to the Japanese Government to increase public investment expenditures but that it is the most practical way to reduce Japan's current account surplus without decreasing savings.

Williams said the U.S. is not pressing Japan to show an increase in public spending in ratio of growth in Japan's gross national product (GNP) and it is exclusively up to the Japanese themselves to decide how to show its commitment to correct the trade imbalance. But he said he is interested in the concept of the percentage of public investment expenditures in the GNP and the total amount which appeared in Japanese press reports recently.

"Former Deputy Prime Minister Shin Kanemaru (mentioned) about a month ago the figure of 500 trillion yen but he changed it recently to 450 trillion yen," Williams said. "We prefer the 500 trillion yen." More spending on public works will help increase imports and is good for Japanese people, he said.

The difficult points in the SII talks Monday and Tuesday concern remedies in the private sector such as disclosure of certain business relationships and Japan's patent system and surcharges, Williams said. He said he wants to see "administrative guidance or 'gyosei shido'" by the Japanese Government in these areas.

Prime Minister Toshiki Kaifu suggested in Itoman, Okinawa on Sunday [as received] that Japan will propose a 415 trillion yen public works spending package spanning a 10-year period at the SII talks in Tokyo.

Williams said that the figure should not include spending by Nippon Telegraph and Telephone Corp. (NTT) or by Japan Railway Companies as they are private firms. Williams said "We will try hard" to get a final SII report but, I frankly, he [as received] would be surprised if the two nations agree on the matter in two days.

Williams said that follow-up meetings are very important in the SII talks as it is impossible to do everything in a year. The U.S. wants four follow-up meetings in the first year and they may be reduced to smaller numbers in the subsequent years, he said.

Williams said the two countries should succeed in the SII talks and follow-up meetings. If there are still problems in trade between the two countries, a demand may arise in the U.S. to consider another channel to correct them, he said.

The other channels may be Section 301 of the 1988 trade law requiring sanctions against Japan and congressional pressure, he said. "We do not want another channel," Williams said.

'Full Text' of Japanese-U.S. Treaty Statement

OW2206105590 Tokyo KYODO in English 1001 GMT 22 Jun 90

[Text] Tokyo, June 23 KYODO—The following is the full text of a Japan-U.S. joint statement on the 30th anniversary of the Japan-U.S. security treaty:

Joint Statement By

The President of the United States And

The Prime Minister of Japan

On the 30th Anniversary of Entry Into Force of The

U.S.-Japan Treaty of Mutual Cooperation and Security

June 23, 1990

On this historic day 30 years ago, representatives of the United States and Japan exchanged instruments of ratification and put into effect the U.S.-Japan Treaty of Mutual Cooperation and Security, an agreement which is the very foundation of the overall relationship between our two countries and provides the framework for peace and stability in Asia.

The past three decades have witnessed remarkable progress and prosperity among the free nations of the Pacific region. Such progress would not have been possible but for the framework for peace and stability that the treaty has provided. As we consider the important role that the treaty has played over these years, our respect deepens for the wise judgment that our predecessors made.

With our combined economic strength, our steadfast security relationship, and our common adherence to political and economic freedom, the United States and Japan, working together, constitute a force for positive change in the world.

We are partners for peace, and the foundation of our partnership for peace is the treaty of mutual cooperation and security. In the coming decades, as we pursue our global partnership, the treaty of mutual cooperation and security will remain a vital instrument for ensuring the freedom and security of our two nations and promoting peace and prosperity throughout the region. On this occasion, therefore, we hereby renew our commitment and efforts to steadfastly maintain and effectively implement the U.S.-Japan Treaty of Mutual Cooperation and Security.

JSP Representative Views U.S. Security Pact

OW2506135190 Moscow in Japanese to Japan 1200 GMT 23 Jun 90

[Recorded "views" of Kosube Uehara, Japan Socialist Party, JSP, lower house representative; place and date not given—first two paragraphs are introduction by correspondent Potapov]

[Text] The revised Japan-U.S. Security Treaty came into effect 30 years ago today, on 23 June 1960. At that time, campaigns opposing the new treaty shook the whole nation of Japan. At the vanguard of the campaigns were the left-wing forces of Japan, namely the Japan Socialist Party [JSP]. Will you now please hear views of lower house Representative Kosuke Uehara of the JSP on the Japan-U.S. Security Treaty?

Representative Uehara, who is serving as chairman of the JSP Policy Commission on Matters Concerning the Self-Defense Forces and the Security, said the following:

[Begin recording] The Japan-U.S. military cooperative structure which has been maintained by the Japanese Government is based on an alleged threat from the Soviet Union—an allegation that the Soviet Union, being a military superpower, poses a threat to Japan.

I can understand that even now the Soviet Union is a great power with considerably large military capabilities. But it is also true that now the United States and the Soviet Union are going from a relationship of mutual dialogue to one of mutual coordination and cooperation. They are indeed heading for a relationship of partnership.

Besides, the Berlin Wall has disapppeared too. East Europe is undergoing a major change, and there are reforms going on in the Soviet Union. Should the Japanese Government, despite such a situation, continue to stick to allegations of a Soviet threat, insist on retaining the security posture and keep on building up the capabilities of the Self-Defense Forces, that will not be in conformity with the international opinions and expectations of the Japanese people.

The 21st century will be a century of disarmament. During the 1990s, nations' strategies will be changed toward nuclear disarmament. We should become intimate with the Soviet Union. While solving various issues pending between Japan and the Soviet Union, I hope Japan will change the direction of its security posture too—toward disarmament.

To put it bluntly, allegations of a Soviet threat stemmed from the intentions of conservative forces wanting to maintain the security posture. It is becoming increasingly clear that building up the Self-Defense Forces has been based on a figment of the imagination that there is a threat against Japan from the Soviet Union.

Anyway, such voices alleging existence of the threat from the Soviet Union are getting weaker. I would like to think that the people are presently developing a better understanding of the situation. [end recording]

Kaifu Apologizes for World War II Dead

OW2306081090 Tokyo KYODO in English 0720 GMT 23 Jun 90

[By Jocelyn Ford]

[Text] Itoman, Okinawa Pref., June 23 KYODO—Prime Minister Toshiki Kaifu offered prayers and an apology Saturday for the over 200,000 Okinawans and Americans who perished in fierce combat here 45 years ago. In a ceremony conducted on the site of some of the bloodiest battlefields of the Pacific war, Kaifu told the Okinawans that their tragic past would not be forgotten.

"Your island was devastated, and many lives were lost," said Kaifu, Japan's first prime minister to attend the annual ceremony at the seaside Peace Memorial Park. "The sorrowful truth of what happened will not be forgotten in our nation's history," he said. "I am very sorry, and I feel great pain."

Kaifu joined the hushed crowd of relatives of war dead and local dignataries in observing a moment of silence for the 188,000 Japanese and 12,500 Americans who died during the 82-day battle of Okinawa.

For many Okinawans June 23 is regarded as the end of World War II because it was on this day 45 years ago that the Japanese Imperial Army commander committed suicide, surrendering the semi-tropical island chain to U.S. forces. Tokyo officially capitulated on August 15.

Memories of World War II are vivid here, and many Okinawans still harbor ill feelings against the Japanese military. Most families lost at least one relative in the bitter fighting that took the lives of one out of four Okinawans. Some were killed at the hands of Japanese soldiers, who considered the local people untrustworthy, and others were induced to commit mass suicide to avoid being captured by the invading American forces.

Okinawans at the time who spoke in the local dialect risked being accused as spies.

Local reaction to Kaifu's attendance at the ceremony was mixed, with some citizens regarding the visit as a long over-due recognition of their suffering, and others exhibiting ambivalence. "A prime minister should have come earlier," said Kurayoshi Takara, a local historian. "The war here was different than that on the mainland because Okinawa was the only place where battles were fought on land."

While prime ministers regularly attend memorial ceremonies in August for the victims of the atomic bombings of Hiroshima and Nagasaki, Kaifu is the first head of government to attend the peace memorial ceremony for the victims of the battle of Okinawa. The editor of a local newspaper, who requested his name be withheld, was nonplused by Kaifu's participation in the memorial services.

"Just attending the ceremony won't do any good," the editor said. "We need concrete action for peace such as the return of the U.S. bases."

The ceremony coincided with the anniversary of the 30-year-old Japan-U.S. security treaty, the basis for the presence of U.S. bases in Japan. While the superpower thaw has spurred arms reduction in Europe, its impact so far on highly fortified Okinawa has been minimal.

Nearly one fifth of the main island of Okinawa is occupied by U.S. bases, which host 35,000 of some 50,000 U.S. troops stationed throughout Japan. Earlier in the week, the Japanese Government announced 4 percent of land now occupied by U.S. bases would be returned. Okinawans have said it is not enough.

After the hour-long ceremony, Okinawa Governor Junji Nishime met briefly with Kaifu and requested the speedy reversion of the bases. Kaifu told reporters after the meeting that the partial return announced earlier in the week should be regarded as a step forward. "This is not the end," he said.

In his remembrance address, delivered under balmy breezy skies, Kaifu praised the Okinawans for recovering from the ravages of war and heading toward economic recovery, and pledged to continue special assistance programs. Okinawa has long lagged behind the four main Japanese islands in per capita income and economic development. Since its return from U.S. administration in 1972, Tokyo has regularly pumped up the economy with special public works programs.

"In the future too we plan to continue promoting a base for independent development," Kaifu pledged at the memorial ceremony.

U.S. Fighters To Practice Night Landings

OW2606084790 Tokyo KYODO in English 0801 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—The United States Navy on Tuesday informed the Japanese Defense Facilities Administration Agency that naval fighters from the aircraft carrier U.S.S. Midway will conduct night landing practice at the U.S. naval air facility in Atsugi, Kanagawa Pref., between June 27 and July 5.

The Navy said it would conduct the practice, beginning about 7:30 P.M., on June 27-29 and again on July 2, 3, and 5.

Meanwhile in Yokosuka, the U.S. Naval Information Office announced that the 67,000-ton carrier is scheduled to leave port Friday morning following repairs to damage from an explosion suffered at sea last week.

According to the announcement, the Midway will engage in routine military exercises in the Western Pacific. About seven aircraft which were left behind when the Midway left Yokosuka last week are expected to initially participate in the night practice at Atsugi.

Last Wednesday, 200 kilometers northeast of Tokyo, two explosions apparently linked to steam piping used to catapult fighters from the Midway ripped through a hold on a lower deck killing two U.S. sailors and injuring 16 more. The Midway has been anchored at the Yokosuka Naval Base for repairs since Thursday.

Soviets Said Ready To Focus on Japanese Ties

OW2206082390 Tokyo KYODO in English 0416 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—Soviet Ambassador to Japan Nikolay Solovyev said Friday that the Soviet Union is now ready to focus on relations with Japan, after making headway on other international issues. Progress has been made in relations with the United States and China and in resolving regional conflicts, Solovyev was quoted saying in an address to the ruling Liberal Democratic Party's Foreign Affairs Committee.

"Next come Japan-Soviet relations," he was quoted saying by Shinya Totsuka, vice chairman of the committee. It was the first time Solovyev had addressed the committee, Totsuka said.

Solovyev said that Soviet President Mikhail Gorbachev's visit to Japan has been delayed because of arms control negotiations with the United States. "Gorbachev will definitely come next year, but I can't say precisely when," he was quoted telling the meeting.

He said the visit to Japan by Soviet Foreign Minister Eduard Shevardnadze in September and a reciprocal visit to Moscow by Foreign Minister Taro Nakayama, which he said is likely to take place in December or January, will help pave the way for Gorbachev's visit.

"Gorbachev's visit will be a major accomplishment for our two countries. To ensure it does not become a disappointment, the Foreign Ministry must work hard," Solovyev was quoted saying. It was not clear whether he was referring to the Japanese or the Soviet Foreign Ministry.

The ambassador said he is confident that a working group on establishing a peace treaty will be able to resolve the territorial dispute over four islands north of Hokkaido claimed by Japan, Totsuka said.

Japan maintains that there can be no peace treaty without the prior return of the islands, occupied by the Soviet Union since the end of World War II.

Solovyev said that arms reduction in the Soviet Far East will be gradual because the Soviet Union and the United States still have not reached an agreement on the matter. He called for establishment of new regional security arrangements similar to those in Europe.

Solovyev said his personal opinion is that establishment of formal diplomatic relations with South Korea should not progress too fast.

"We have to think about North Korea and stability of the Korean peninsula, but there is no mistake that relations (with South Korea) will be restored," he was quoted saying.

Soviet Payment Delays Reportedly Surging

OW2506140490 Tokyo KYODO in English 1344 GMT 25 Jun 90

[Text] Tokyo, June 25 KYODO—Soviet companies failed to pay a total of 444 million dollars for Japanese goods and services by the end of May, almost double the 255 million dollars in payment delays at the end of April, an industry association said Monday. The Japan association for trade with the Soviet Union and socialist countries of Europe said the number of defaulting state-run corporations also doubled to more than 10.

The main items not paid for are industrial materials such as steel, followed by chemical products and petroleum, it said.

The association's data, based on a survey on 15 Japanese companies, including major traders, is believed to cover only 80 percent of Soviet payment delays to Japan, industry sources said. The association defined payment delay as contracts that have not been settled for 60 days or more after shipment.

An official at a major trading house said that allowing for contracts signed since March, the actual payment delay is estimated at around 1 billion dollars. "Bilateral trade is at a virtual stalemate at present," he said. The official is critical of the Soviets' reluctance to issue letters of credit (L/Cs), documents intended to gurantee payments for imports.

Academics, Officials Discuss War Detainees Issue

OW2306091990 Tokyo KYODO in English 1539 GMT 22 Jun 90

[Text] Tokyo, June 22 KYODO—Academics and Red Cross officials of the Soviet Union and Japan on Friday released a joint communique calling for the creation of a joint committee to review problems concerning the postwar Soviet detention of many Japanese nationals.

The committee will be cochaired by Rokuro Saito, who heads a national group of detainees and families seeking compensation for the forced labor and a return of the remains of those who died while in detention, and by Aleksey Kirichenko, a senior official at the Oriental Studies Institute of the Soviet Academy of Sciences.

The statement summed up two days of discussions at a forum in Tokyo at which two scholars and two Red Cross officials from Moscow admitted that Soviet troops had placed 594,000 Japanese under detention after World War II.

Among the detainees, 546,086 were sent to forced labor camps, mostly in Siberia, and some to Soviet Europe and the Caucasus for railroad construction, factory work and other physical labor. In the course of the detention 46,082 died, while some others were held as long as until 1956.

The communique noted that the forum had mulled such problems as an accounting of the dead detainees, renovation of their graves and the issuance of forced labor certificates.

The four Japanese panelists included Saito, a former detainee, and Nobuo Shimotomai, an expert on international law. They argued that the 1945 Soviet military advance, just days before Japan's surrender, was illegal as it broke the bilateral neutrality pact then still in effect. The Japanese also argued that a lengthy detention was in contravention of the Potsdam declaration that allowed for early repatriation of Japanese.

Soviet representatives conceded that the military advance had continued even after Japan's surrender and that the Soviet Union has a moral responsibility to clarify the identities of detainees and renovate the graves. The Soviet Union had until recently claimed that the detention was legal and deaths had amounted to only some 3,500.

A Soviet Red Cross official promised to search for any documents on the detainees kept in Soviet archives and to report the results of the search by the end of 1991. Friday's communique noted that some mutual understandings were reached after serious and honest discussions although a concrete date or detailed outline of the future bilateral committee was not pinned down. "The symposium participants agreed to do their best to prepare a good atmosphere for the upcoming visit to Japan by President Mikhail Gorbachev," it said.

Chief Soviet delegate Pavel Shirinskiy said "our straightforward discussions were based on 'glasnost' (openness), democracy, humanitarianism and international law." Shirinskiy, who is the vice chairman of the Soviet Red Cross Society, told a press briefing after signing the document "I believe what we have done here marked a great step forward." Kirichenko, who was one of the four Soviet delegates and is thought to have close ties with Gorbachev's aide Yevgeniy Primakov, said he will try his best to create the committee "as soon as possible."

Japanese participants said the forum was significant, but that their communique only represents forward-looking civic efforts and Tokyo's diplomacy is "another thing." Japan's Foreign Ministry officials, for their part, have said they hoped any positive outcome of the private forum would affect the Japan policy of the Soviet Union, which is expected to send Foreign Minister Eduard Shevardnadze to Tokyo this fall and Gorbachev next year.

USSR Releases Four More Detained Fishermen

OW2306145290 Tokyo KYODO in English 1421 GMT 23 Jun 90

[Text] Asahikawa, Hokkaido, June 23 KYODO—Four Japanese fishermen, who had been seized by the Soviet authorities in mid May in the north Pacific for alleged illegal fishing of salmon, were released Saturday and arrived at Wakkanai port in the northern tip of Hokkaido.

Released were Katsuyasu Tachibana, 38-year-old deckhand of No. 36 Kinei Maru of Erimo, Hokkaido, Koeo Nakamura, 39, chief engineer of No. 53 Maruto Maru of Rokkashyo, Aomori, Teiji Numakura, 46, chief engineer of No. 3 Kinshyo Maru, and Yoshio Niioka, 51, deckhand of No. 67 Ryoto Maru, both of Nemuro, Hokkaido.

A total of 52 crewmen aboard six Japanese fishing boats were detained in Kholmsk, Sakhalin, after they were seized and fined by the Soviet authorities on charges of illegal fishing.

Of them, 34 fishermen were released on June 1. It is not clear when the remaining 14 will be freed.

Economics Complicate Chernobyl Relief Effort

OW2506135690 Tokyo KYODO in English 1235 GMT 25 Jun 90

[Text] Tokyo, June 25 KYODO—Economics and political pressure are forcing Soviet health officials to back down from plans to shift people from areas contaminated by the Chernobyl nuclear accident, a Soviet health authority said here Monday. Leonid Ilyin, director of the Institute of Biophysics at the Soviet Ministry of Health, said the ruling Supreme Soviet had ordered his committee to recalculate estimates for an acceptable level of exposure to radiation.

Ilyin spoke to a joint gathering of Japanese and Soviet radiation experts attending a two-day symposium sponsored by the Science and Technology Agency. "Many in the Soviet Union opposed our committee's decision," said Ilyin, referring to a decision setting the level at which the government would intervene to relocate residents at 350 msv of cesium 137, a radioactive toxin. An 'msv' is a unit used in measuring radiation.

The adoption of the 350 level would mean the relocation of some 50,000 people in a 5000 square kilometer area, Ilyin said. Politicians, residents and activists balked at the level calling on the ministry to take into consideration the social and economic effects of such a step, he said. "We must now think in terms of merits and demerits," Ilyin said.

The 1986 nuclear disaster at a reactor north of Kiev struck at the bread basket of the Soviet Union, compounding worsening food shortfalls resulting from the indecisive pace of economic reforms under perestroyka. Critics sought arable land able to produce 'clean' produce despite the higher risk of leukemia and cancer in the areas.

"But what is clean?" Ilyin asked. "We felt we had fulfilled our duties as scientists," in setting a low level, he said, adding that including other factors would compromise the decision.

For areas below the 350 level not slated for relocation, the ministry has instituted a series of restrictions, banning consumption of milk and produce from the areas. Some 600,000 people spread over a 25,000 square kilometer area would be affected by the limits. But Japanese researchers questioned the 350 level as being too high, asking for specifics on its measurement. The 350 msv level is the estimated exposure over a lifetime to toxic radiation of residents living in affected areas.

Japanese and Soviet officials agreed in a 1989 accord to conduct joint research on the aftermath of the Chernobyl disaster and have exchanged researchers between Hiroshima and the Soviet Union. Hiroshima, devastated by the world's first atomic bombing, is home to some of the world's top authorities on radiation effects.

Japan also pledged both money and personnel to support an international atomic energy agency plan for a radiation research center near Chernobyl earlier this month.

Gorbachev Expected To Clarify Stance on Islands

OW2606092390 Tokyo KYODO in English 0822 GMT 26 Jun 90

[Text] Sapporo, June 26 KYODO—Hokkaido Gov. Takahiro Yokomichi said Tuesday he believes Soviet President Mikahil Gorbachev will make more specific remarks on the northern territories when he visits Japan next year. The four disputed islands off Hokkaido have been held by the Soviet Union since the end of World War II.

Yokomichi, commenting during a news conference about his recent visit to the Soviet Union, also said he backs a Soviet proposal to create an office of Japanese consulate general on Sakhalin Island. That proposal was made during a meeting with the governor of the island, he said.

"Establishment of an office of consulate general is needed to deepen understanding about the four disputed islands off Hokkaido among residents on Sakhalin," Yokomichi said. Yokomichi also said he intends to ask the Japanese Government to promote the creation of the office.

From June 14 to 22, Yokomichi visited Moscow, the Soviet far eastern cities of Vladivostok and Kahbarovsk, as well as the island of Sakhalin. Japan gave up ownership of the southern half of Sakhalin at the end of World War II.

During his visit to the Soviet Union, Yokomichi also agreed to cooperate with the Soviets on oil and natural gas projects on Sakhalin and to establish an "action group" between the two sides to promote economic cooperation.

Official To Ask China To Influence Khmer Rouge

OW2606093790 Tokyo KYODO in English 0903 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—A senior Foreign Ministry official, who plans to visit Beijing in late July, will ask China to exert its influence over the Khmer Rouge guerrilla group in Cambodia to bring it into the peace process, a ministry source said Tuesday.

The official said that Sakutaro Tanino, director general of the ministry's Asian Affairs Bureau, will ask China to encourage the Khmer Rouge to acquiesce to a joint communique signed in Tokyo earlier this month between resistance leader Prince Norodom Sihanouk and Phnom Penh government Premier Hun Sen.

He noted that China is the main military backer of the Khmer Rouge, the guerrilla group held responsible for the systematic genocide of over a million Cambodians during its 1975-79 rule.

In relation to Tanino's visit, the official said that Japan has not retreated from its commitment to the search for peace in Cambodia in the wake of the Tokyo conference. "Foreign Minister (Taro) Nakayama has made it clear that we will make more efforts to encourage the Khmer Rouge to agree to the joint Tokyo communique," he said.

On the timing of the China visit, the official said it is likely to take place after the Paris International Conference on Cambodia (PICC) of the five permanent members to the United Nations Security Council, which has been set for mid-July.

The official indicated that Japan is likely to send an observer to the so-called Perm-5 meeting, which is expected to be followed by talks including the four warring Cambodian factions. "We assume we will have an opportunity to hold informal consultations with members on spot as we had in the previous Perm-5 meeting," the official said.

In close proximity to Tanino's visit to China, Foreign Minister Nakayama has indicated his hope to visit Bangkok for talks on Cambodia with Thai officials just after the Asia-Pacific Economic Cooperation (APEC) conference in Singapore, scheduled to be held July 27-29.

Thailand and Japan cooperated in hosting the June 4-5 Tokyo Meeting on Cambodia (TMC) between the Hanoi-backed Phnom Penh government and the tripartite resistance coalition government.

The Tokyo meeting produced a joint communique between Hun Sen and Prince Sihanouk, the leaders of the two respective governments, which was consented to by the two non-communist guerrilla factions led by Sihanouk and Son Sann. But the Khmer Rouge, represented in Tokyo by Khieu Samphan, balked at acceding to the document because under the umbrella of the Sihanouk-led coalition it was not accorded an equal footing in Tokyo with the Phnom Penh government.

The communique called for the implementation by all Cambodian parties of "voluntary self-restraint" with regard to use of military force. The military restraint was to be implemented when the first meeting of a proposed Cambodian representative body, the Supreme National Council, is convened "not later than the end of July."

China initially greeted the communique with skepticism, saying that for any agreement to be effective it should be accepted by all four warring parties.

On a related issue, the Foreign Ministry source downplayed recent remarks by a top ministry official of there being a "contradiction" in Japan's supply of financial aid to China when that country in turn supplies arms to the Khmer Rouge. "It is a fact that the influence of China over the Khmer Rouge mainly comes from Chinese assistance," the official acknowledged.

"But we see no direct link between our Cambodia policy right now and the issue of the third yen loan to China," he added, referring to the question of releasing 810 billion yen in pledged loans to Beijing.

Report Forecasts Continued Economic Growth

OW2606005490 Tokyo KYODO in English 0005 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—Japan's current stretch of economic growth, which surpassed the country's second-longest period of uninterrupted expansion this month, has yet to show any appreciable signs of a slowdown, a government monthly report said Tuesday.

The Economic Planning Agency indicated in the report that the nation's economy, now in its 43rd straight month of expansion, is well placed to challenge the record for the longest postwar period of growth in view of its continued vigor. The record for the longest period of economic expansion was the 57 months between November 1965 and July 1970.

Brisk personal spending and corporate capital investment, the two main driving forces behind the present economic strength, will continue to fuel growth, the report said.

Agency officials, citing a recent set of economic reports, said brisk domestic demand in Japan has apparently weathered the turmoil in the financial and capital markets as well as the upsurge in interest rates earlier this year.

The latest assessment of overall economic activity, reported by agency Director General Hideyuki Aizawa to the cabinet on Tuesday morning, showed corporate spending on plants and equipment remains so strong that robust economic growth is likely to continue at a brisk pace.

The officials also said there are no real signals in the economy to suggest that active personal consumption has begun to slow in the wake of the triple declines earlier this year in the stock market, the bond market, and the yen's exchange value against the U.S. dollar.

The agency's survey, which also cited a quarterly report released recently by the Bank of Japan on the short-term business outlook, said corporate sales and earnings are still on a rising curve.

The survey also noted that Japan's labor shortage remains acute and inflationary pressures are creeping up, though it said corporate wage hikes in the spring appear to have had a minimal impact so far on the economy.

The central bank and other government economists have said the country's prices remain stable both on the wholesale and consumer levels and could not be described as being on the threshold of inflation.

Exports are strong, the agency said, in part because of continued demand overseas and partly due to the yen's depreciation against the dollar, making Japanese goods more competitive abroad.

Imports, on the other hand, have shown a gradual growth in recent months, supported by brisk imports of manufactured goods, it said.

Indicators Suggest Economy Remains Robust

OW2606082890 Tokyo KYODO in English 0708 GMT 26 Jun 90

[Text] Tokyo, June 26 KYODO—The most recent package of economic indicators released by the government Tuesday endorsed the view that Japan retains the strength to keep the economy expanding. The Economic Planning Agency's index leading economic indicators stood at 50, barely maintaining the "boom-or-bust" line of 50 in April and signaling a continuation of booming business in the months ahead.

The leading index, intended to foreshadow economic activity several months in advance, has been above 50 for two consecutive months. Agency officials said the basic trend in the country's economic activity remains the same without appreciable changes in the pattern of growth. The agency takes any reading above 50 as a sign of future economic expansion.

Although the government gauge of expected economic strength does suggest a continuing briskness in the economy, some economic analysts said the figure does dilute the optimistic outlook suggested in March by the robust figure of 69.2. Analysts said the latest figure, however, suggests country's economy is showing a matured phase while remaining on a high plateau.

The agency reported to the cabinet earlier in the day that Japan's economy has surpassed the second-longest period of uninterrupted expansion this month, marking its 43rd straight month of growth. The agency put the index of coincident indicators, which reflects the present state of the economy, at 80.0, up from the previous month's 54.5. The index of lagging indicators, marking past economic activity, was 100.0, up from 81.3 in the prior month.

April was the second month in which all of three indexes showed a reading above 50, the agency said.

Mongolia

P. Ochirbat Discusses Development Goals

OW2506135590 Ulaanbaatar International Service in English 0910 GMT 25 Jun 90

[Text] The Mongolian Government does everything for raising the country to the rank of new industrial states of Asia, said head of the Mongolian state Punsalmaagiyn Ochirbat in an interview with Spanish TV correspondent (Elka Woodmayer). It is natural that there is needed the technological renewal of production and an expansion of ties with the outside world and active participation in the international division of labor, noted Mr. Ochirbat.

He spoke of an open-door economic policy already conducted by the Mongolian Government. Mr. Ochirbat defined the on-going democratization of social life and pledged material resources and spiritual potential of the Mongolian people as a reliable guarantee of accelerating the economic development of the country.

The head of the Mongolian state has expressed a decision to develop cooperation with Spain, particularly in the sphere of tourism.

Law Enforcement Bodies Criticized; Changes Urged

OW2306130590 Ulaanbaatar International Service in English 0910 GMT 23 Jun 90

[Text] The Presidium of the Mongolian Council of Ministers, at its regular meeting, has discussed the activities of law maintenance bodies. It was recognized that their work on the crime (?situation) in Mongolia is not satisfactory, which is explained by the old methods of work of the bodies and passiveness in establishing close contacts with each other.

It was also noted that some outdated legal documents should be reconsidered. The Presidium of the Council of Ministers decided to work out a scientifically grounded law policy, establish contacts with international organizations, (?transform the) material and technical base of the bodies, and to improve the working and living conditions of their personnel.

Proposals Benefitting 'Rationalizers' Approved

OW2506135490 Ulaanbaatar International Service in English 0910 GMT 25 Jun 90

[Text] The Council of Ministers of Mongolia has cancelled its resolution of the seventies infringing upon the right of Mongolian rationalizers. It has resolved to grant 30 percent of real income got from the realization of rationalization proposals to the authors of new proposals. It also resolves to give 30 percent of the profit got from the sale of licenses abroad to innovators as one-time premium. This sum may also be given in national tugrik in accordance with the official currency rate.

Great Hural To Publish Draft Pension Law

OW2506151390 Ulaanbaatar International Service in English 0910 GMT 25 Jun 90

[Text] The Presidium of the People's Great Hural of Mongolia has considered a draft law on pension and decided to publish it for a nationwide discussion. It has also approved a new provision on honorary titles, orders, and medals of the Mongolian People's Republic. It resolves to reduce the number of instances considering the question of premiums and envisages to raise the role of work collectives in the consideration of these questions in democratic and open atmosphere.

Capital Construction Movement Holds Congress

OW2506135390 Ulaanbaatar International Service in English 0910 GMT 25 Jun 90

[Text] The newly set up Movement for the Renewal of Capital Construction held its first congress. It has been noted here that the bureaucratic apparatus, constant frustration of state plans and shortage of building materials, lack of coordination in the activity of construction organizations, and other negative phenomena led to stagnation in this sphere. The speakers pointed to the lack of scientifically based farsighted policy aimed at priority development of production of construction materials and introduction of the achievements of scientific-technological progress. The movement was set up in mid-this April with the purpose to get the construction branch out of the critical situation, and today it incorporates over 10,000 construction and engineer-technical personnel.

North Korea

Pyongyang Agrees to Preliminary Talks With ROK

SK2606105290 Pyongyang KCNA in English 1000 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—Paek Nam-chun, head of our side's delegation, today sent a telephone message to Song Han-ho, chief delegate of the South side, regarding the telephone message of the South side proposing to postpone the date of the preliminary talks for North-South high-level political and military talks in reply to our side's proposal to hold it on June 28. Paek Nam-chun said that our side's delegation would go to Panmunjom on July 3 for the 7th preliminary talks for North-South high-level political and military talks.

AAPSO Delegates Support Reunification Plans

SK2306103590 Pyongyang KCNA in English 0959 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—Delegations and delegates of various countries and international organizations who had participated in the international conference for disarmament, cooperation and development in the Asia-Pacific region held solidarity meetings on June 22 in Kaesong, Nampo and Wonsan in support of the Korean people in their struggle for peace and reunification.

Speeches were made at the meetings by delegates to the conference and officials of local power organs.

Speaking at the meeting held in Kaesong, Shekhar Ganguly, delegate of the All-India Peace and Solidarity Organization, voiced warm support to the proposal for founding the democratic confederal republic of Koryo and the five-point policy for national reunification advanced by respected President Kim Il-song and firm solidarity with the Korean people in their struggle to carry them into effect.

Tran Tram Fron, delegate of the Afro-Asian People's Solidarity Organization [AAPSO], said the AAPSO joins all the peaceloving people across the world in strongly demanding an immediate withdrawal of the U.S. Forces and nuclear weapons from South Korea and fully supporting the proposals for national reunification put forward by President Kim Il-song.

D.E.W. Gunasekara, delegate of the Afro-Asian People's Solidarity Association of Sri Lanka, stressed that the new five-point policy for national reunification laid down by President Kim Il-song, the great leader of the Korean people, is the most reasonable and realistic way of national reunification.

Baltazar Pinguel, delegate of the new People's Patriotic Alliance of the Philippines, said the Korean people are accelerating the socialist construction on the principle of self-reliance under the banner of the chuche idea. All countries should do as the Korean people do if they are to build socialism.

Randriamaro Joel [name as received], delegate of the Malagasy Solidarity Committee, said he saw at first hand the concrete wall, which blocks the Korean people's struggle to reunify the country independently and peacefully.

V. Skosriev [name as received], delegate of the Afro-Asian Solidarity Committee of the Soviet Union, said the international public circles approve the proposal for demolishing the existing barrier and realising free travel between the North and the South.

Paul Petersen, delegate of the Australian Anti-Bases Campaign Coalition, said the Australian people express solidarity with the Korean people in the struggle to put an end to the division of Korea and reunify the country.

"Letter to the south Korean people" was adopted at the meeting.

The letter promised to invigorate the struggle for the withdrawal of the U.S. troops and nuclear weapons from South Korea and actively support the struggle of the South Korean people for peace and reunification of the country.

At the meeting in Nampo, Chandrajeet Yadav, delegate of the World Peace Council, denounced the imperialists for having manipulated the building of the concrete wall. This wall of division must be pulled down and the people in the North and the South be allowed to travel freely, he said.

Nguyen Trung Hieu, delegate of the Vietnamese Afro-Asian Solidarity Committee, said the Korean people have made brilliant achievements in socialist construction and the struggle for national reunification under the energetic and outstanding leadership of the great President Kim Il-song and dear Comrade Kim Chong-il. The achievements are a proof of the might of the Korean people and the superiority of the socialist system, he added.

Ahmed Gubran, delegate of the Yemen Peace and Solidarity Council, stressed that the public opinion of Yemen highly estimates and expresses full support to the just demand of the DPRK for the withdrawal of the foreign troops from South Korea and admission to the United Nations under a single nomenclature.

Tran Minh Quoc, delegate of the AAPSO Asian Information Centre, expressed full support to the new fair and aboveboard five-point policy of national reunification recently laid down by the Great President Kim Il-song.

"Appeal to the governments, political parties, social organizations, and peace-loving people of all countries of the world and international organizations" was adopted at the meeting.

Speaking at a meeting in Wonsan, Fakhar Zaman, head of the delegation of the Pakistan-AAPSO, said that the Pakistani people would actively support as ever the Korean people's struggle for the peaceful reunification of the country.

U. Togoo, delegate of the Mongolian Committee for Afro- Asian Solidarity, said the Mongolian people warmly welcome and support the five-point policy of national reunification and the disarmament proposal put forward at a recent joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the DPRK.

Honesto L. Cueva, delegate of the Philippine Peace and Solidarity Council, said the United States and any other outside forces must not do aggressive acts against the Korean people.

"Letter to the secretary-general of the United Nations" was adopted at the meeting.

Appeal for World Support of Korean Struggle

SK2306051690 Pyongyang KCNA in English 0429 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—We earnestly appeal to the governments, political parties and social organisations and peace-loving peoples of all countries of the world and international organizations to strengthen international solidarity with the Korean people in their just cause.

So stresses the appeal to the governments, political parties, social organizations and peaceloving peoples of all countries of the world and the international organizations which was adopted at a solidarity meeting for supporting the Korean people's struggle for peace and reunification held in Nampo on June 22. The appeal says that the world is going along the road of independence, but the national division by foreign forces has existed on the Korean peninsula for nearly half a century.

However, the U.S. and the South Korean authorities are more obstinately resorting to the "two Koreas" plot for the permanent division of Korea and staging the adventurous military exercises in succession in South Korea where nuclear weapons are stockpiled, the appeal says, and continues:

The respected President Kim Il-song made clear once again the proposal for founding a democratic confederal republic of Koryo and advanced the five-point policy for national reunification in his policy speech made at the first session of the Ninth Supreme People's Assembly of the DPRK held in May, 1990. This policy is warmly supported and welcomed by the Korean people and the world peace forces as a great national reunification programme which elucidates the basic principles and ways for reunification and peace of Korea.

For the relaxation of tension and the ensurance of peace on the Korean peninsula, the North and the South must adopt a non-aggression declaration, the DPRK and the U.S. must sign a peace agreement, the North and the South must reduce their armed forces drastically and nuclear weapons and foreign troops must be withdrawn from South Korea. Since the DPRK Government has put forward the disarmament proposal for peace on the Korean peninsula and asserts that the North and the South must reduce their armed forces to less than 100,000 men respectively and since the withdrawal of foreign troops is a world trend, there is no reason for the U.S. troops to remain in South Korea.

We appeal to governments, political parties, social organizations and the peace-loving people of all countries of the world and international organisations to force the United States to withdraw its troops, taking along with nuclear weapons from South Korea as early as possible in keeping with the trend of our time towards peace and detente. In order to realise peace and reunification on the Korean peninsula, the barrier of division must be removed and free travel and a full-scale open-door policy must be realised between the people of North and South.

We maintain that it is necessary to put international pressure upon the South Korean authorities to remove the concrete wall built in the area south of the military demarcation line of Korea, to abolish all the evil laws including the "National Security Law" and to realise free travel and a full-scale open-door policy. The governments and peoples of all countries of the world should reject the "two Koreas" plot of the U.S. and South Korean authorities and should not allow the U.N. to be used to legitimate the division of Korea internationally and to delay her reunification.

No Tae-u Group 'Created' Student Incident

SK2606045790 Pyongyang KCNA in English 0420 GMT 26 Jun 90

["It Is Puppets Who Should be Punished"—KCNA headline]

[Text] Pyongyang June 26 (KCNA)—The South Korean puppet clique recently held at the puppet supreme court a trial of the students who had been arrested on charges of involvement in the "Pusan Tongui University case" and sentenced 25 students to life imprisonment or 20 years in prison.

A news analyst of NODONG SINMUN today says that those students denounced the fascist clique firing carbines at random at the students who demanded independence, democracy and reunification and staged a demonstration and sit-in in demand of the release of the illegally arrested fellow students, doing nothing criminal.

If the No Tae u group had not sent police to fire at the demonstrators and had responded to their demand for the release of their fellow students, there would have been no such incident as the "Pusan Tongui University case," the news analyst says, and continues: The responsibility for the incident rests with the No group who has created the fascist "security-oriented political situation" little different from a state of extraordinary martial law in South Korea and let police fire even at the peaceful demonstrators. It is the fascist clique themselves who should be punished.

The No group, nevertheless, confirmed heavy penalties including life imprisonment on the guiltless students like a thief crying "stop thief" this proves that the No group is the enemy of the nation, truculent fascist hangman and human butcher and the present "Democratic Liberal Party government" is a more savage fascist dictatorial "regime" than all the preceding dictatorial "regimes." Although the fascist hangmen may threaten students today, they will be brought to face judgement by history tomorrow by the united struggle of the South Korean people, declares the news analyst.

Pyongyang Protests U.S.-ROK 'War Exercises'

SK2506155890 Pyongyang KCNA in English 1527 GMT 25 Jun 90

[Text] Pyongyang June 25 (KCNA)—The U.S. imperialist aggressors brought formations of Pacific-based A-4 and A-6 assault planes into the Osan Airforce Base between around 09:00 and 15:00 on June 22 and let them fly in the sky above Uljin, Sokcho, Chongju and Yechon in succession in a joint strike exercise and an aerial live firing drill simulating a surprise attack on areas of the northern half of Korea in coordination with F-16, F-5 and F-4 planes belonging to the U.S. 7th Airforce present in South Korea and the puppet air force, according to military sources.

A total of more than 400 planes participated in the eight aerial war exercises which were committed that day under various names in the sky above South Korea. On June 24, the U.S. imperialists sent formations of nuclear-capable F-16 fighter-bombers from the Kadena Base in Okinawa to the sky above South Korea for a mid-air refueling exercise with the Guam-based refueling tank[er] KC-135.

In addition, they introduced formations of transport planes C-141 and C-130 loaded with vast forces and operational equipment from their bases in the Pacific into the Osan airfield in the period from June 22 to 24. And between around 08:00 and 21:00 on June 23, they mobilized formations of C-141 transport planes based in Japan proper for an exercise simulating an emergency transport of special troops, operational equipment and materiel to the Korean peninsula in the "event of contingency". All these war gambles fully show the belligerent nature of the U.S. imperialists.

More on Activities Marking War Anniversary

Party Official Speaks

SK2506161590 Pyongyang KCNA in English 1505 GMT 25 Jun 90

[Text] Pyongyang June 25 (KCNA)—A mass meeting and a demonstration were held here this afternoon with the attendance of 200,000 people on "June 25, day of struggle against U.S. imperialism"

Working people and youth and students in the capital city of Pyongyang thronged to Kim Il-song Square, the venue of the meeting, chanting with surging indignation and hatred slogans denouncing the U.S. imperialists and their stooges who inflicted immeasurable disasters and sufferings upon our people during the past Korean War and are now running amuck to provoke a nuclear war in Korea.

Set up in the meeting place were sloganboards reading "U.S. imperialism is the provocateur of the Korean War and aggressor. Get out of South Korea at once!", "Let us frustrate war schemings of the U.S. imperialists and safeguard world peace and security!", "Down with No Tae-u, the traitor to the nation!", "let us pull down the barrier of division and realize free travel and complete opening between the North and South!" etc. The meeting was participated in by Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-president, and other senior officials.

Invited to the meeting were diplomatic envoys and embassy officials of various countries here. Officials of the General Association of Korean Residents in Japan (Chongnyon) and members of its delegations and home-visiting groups staying in the socialist homeland and other overseas compatriots and Cho Il-min, chief of the Pyongyang Mission of the "South Korean National Democratic Front" (Hanminjon), were present there.

Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the WPK and concurrently chairman of the Pyongyang Municipal People's Committee, spoke at the meeting. He said the Korean war provoked by the U.S. imperialists on June 25, four decades ago, was a most shameless and brigandish war of aggression to make the whole of Korea a colony of theirs and, furthermore, to establish domination over Asia and the rest of the world and a most brutal and criminal war of destruction ever known in the human history of war.

The historical victory of the Korean people in the fatherland liberation war was a brilliant victory of the unique military idea, outstanding commanding art and chuche-based tactics of the respected leader Comrade Kim Il-song and a great demonstration of the invincible might of the Korean people and people's Army firmly united as one man behind the party and the leader.

Recalling that the WPK and the Government of the DPRK have made strenuous efforts to implement the armistice agreement and turn a temporary state of cease-fire into a durable peace since the fire ceased in Korea, the speaker said: On the contrary, the U.S. imperialists have constantly reinforced the aggression forces in South Korea, more frequently staging war exercises.

While taking measures for "detente" and "arms reduction" in other areas of the world including Europe, the U.S. imperialists are still inciting the atmosphere of cold war in the Asia-Pacific region. Notably, they pursue the policy of a new war, a nuclear war, in a craftier way on the Korean peninsula, the speaker stated.

He bitterly denounced the U.S. imperialist aggressors, the sworn enemy who ignited a war of aggression in Korea, inflicted calamities upon the Korean people and are obstructing peace in Korea and its peaceful reunification, working feverishly to plunge the Korean nation again into the holocaust of a new war, a nuclear war, and their stooges, the No Tae-u military fascist clique.

He continued: The relaxation of tensions and the guarantee of peace on the Korean peninsula are now a crucial matter related to the destiny of the entire Korean people and, furthermore, to the universal peace of Asia and the rest of the world. There can be no ground for the United States to stay in South Korea with a hue and cry over the fictitious "threat from the North" still now when we call for a drastic cutback of armed forces and when the withdrawal of foreign troops has become a worldwide trend.

The United States must go home at once from South Korea, taking along its aggression forces including the nuclear weapons, as unanimously demanded by the Korean people and the world's peaceloving peoples. If it truly desires peace on the Korean peninsula and the improvement of the DPRK-U.S. relations, it should respond to DPRK-U.S. talks or tripartite talks proposed by us and take at an early date a step to replace the Korean Armistice Agreement with a peace agreement.

If the South Korean authorities are truly interested in disarmament and nonaggression issues, they must not pursue a policy of new war, a nuclear war, teaming up with foreign forces, but accept our new disarmament proposal, and must not seek confrontation and division, but pull down the concrete wall built by them, a symbol of division and confrontation, at an early date and realize free travel and full-scale opening between the North and the South.

South Korean people of all strata should check and frustrate the war moves of the U.S. imperialists and their stooges in every step to make the hopeful 1990s a decade of national reunification, wage a dynamic anti-war, anti-nuke, peace movement to turn the Korean peninsula into a nuclear-free, peace zone and wage more vigorously the anti-U.S. struggle for independence, anti-fascist struggle for democracy and the struggle for national reunification.

Availing ourselves of this opportunity, we express the conviction that the governments, political parties, organisations and peoples of all walks of life in the world treasuring justice and peace will extend firm solidarity with the entire Korean people in their just struggle to remove the danger of war on the Korean peninsula and achieve peace of the country and its peaceful reunification.

Hero of the Republic Kim Song-chin who participated in the fatherland liberation war, Yi Chun-son who personally experienced the atrocity of the U.S. imperialist aggressors in the period of the fatherland liberation war, Kang Hun-ku who came over to the northern half of the country some time ago, and Choe Pyong-cho, director of a department of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) took the floor.

The meeting was followed by a mass demonstration. Working people and youth and students carrying the flags of the Republic, red flags, slogan boards and posters marched through the main streets of the city, loudly shouting slogans condemning U.S. imperialism and beating drums.

Members of various delegations and visiting groups of Chongnyon and other overseas compatriots participated in the demonstration, carrying streamers reading "U.S. imperialists, get out of South Korea at once, taking along nuclear weapons". Foreign visitors joined the demonstrators, carrying slogans "Korea is one!" "U.S. imperialists, immediately get out of South Korea!" etc.

U.S. 'Aggressors' Condemned

SK2606050190 Pyongyang KCNA in English 0425 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—Mass rallies and demonstrations were held in Pyongsong, Hamhung and Wonsan on June 25, "Day of the struggle against U.S. imperialism."

Rallies were addressed by leading officials of local party and power bodies and representatives of people of all strata. The speakers noted that the U.S. imperialists ignited the brigandish war of aggression in Korea on June 25, 1950, and in the three-year fatherland liberation war, the Korean people cropped the feathers of the U.S. imperialist aggressors for the first time in history and won the historical victory, they said, and went on:

Far from drawing lessons from the ignominious defeat in the past Korean war, the U.S. imperialists are remaining in South Korea and running wild to provoke a new war, a nuclear war. A grave obstacle is being created in the way of peace of the Korean peninsula and its reunification owing to the anti-peace, anti-reunification moves of the U.S. imperialists and the South Korean puppet clique.

Reckless war rackets will only speed up self-destruction. The U.S. imperialists should act with discretion, squarely looking at the trend of the times and the resolute revolutionary stand and strong will of the Korean people, and stop their war rackets at once and get out of South Korea without delay, taking along their nuclear weapons. The South Korean authorities, too, should refrain from resorting to the policy of a new war, a nuclear war in conspiracy with the outside forces and affirmatively accept our new proposal for disarmament. At the end of the rallies, people of all strata staged grand demonstrations, shouting slogans condemning the U.S. imperialist aggressors and the No Tae-u group.

Newspaper Says U.S. on 'Road of Aggression'

SK2306104590 Pyongyang KCNA in English 1029 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—Now in the United States work is reportedly on for the manufacture of warheads whose mission is to "dig deep into the earth" and "destroy the political and commanding centers" of the opposite side and underwater nuclear bomb of new type and "initiative of supersonic air missiles which would not be destroyed by defence means" under discussion.

MINJU CHOSON today brands the feverish drive of the U.S. imperialists at the production of new-type nuclear weapons as a crime going against the trend of the times and the desire of the world peace-loving people demanding arms reduction.

The news analyst says: The U.S. imperialists have already a huge stockpile of nuclear weapons. Yet they are again working to develop new nuclear warheads for a preemptive nuclear strike and constantly increase their number. This shows that the nuclear war preparations of the U.S. imperialists are getting all the more undisguised. The hysteric arms buildup of the U.S. imperialists behind the curtain of "disarmament" is urged by their sinister intention to contain the peace-loving countries, gain the upperhand in strength and gratify their wild desire for world supremacy.

In South Korea, too, they are largely reinforcing nuclear forces while spreading the rumors of "cutback" of the U.S. forces. Recently they announced that they would allocate to the USAF occupying South Korea a new night operation corps consisting of the latest F-16 fighter-bombers equipped with a night flying system.

The introduction of F-16 fighter-bombers, a means of nuclear delivery, when nuclear war exercises never cease, betrays their wicked intention to provoke a nuclear war in Korea, come what may. If they continue racing along the road of aggression and war, ignoring the desire and demand of the world people, they will face a stern judgement by history, warns the paper.

Japan's Participation in NATO Meeting Decried

SK2606045090 Pyongyang KCNA in English 0430 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—The councillor of the Foreign Ministry and a Defence Agency official of Japan are reportedly to participate for the first time in a NATO security colloquium and exchange views on "global security" and "normalisation of Japan's relations" with Europe. Another report says that Japanese Prime Minister Kaifu at a meeting of the Foreign Affairs Committee of the House of Representatives a few days ago said that he would get the law of the "Self-Defence Forces" [SDF] revised so that Japan may send "SDF" personnel to join in the activities of the U.N. peacekeeping force.

This is an ill-boding move which shows the Japanese reactionaries' vaulting ambition for overseas expansion, says NODONG SINMUN today. The news analyst notes:

The United States being a "leading state" of NATO, the U.S. and Japanese reactionaries intend to bring into shape a worldwide military organisation by making Japan establish military relations with NATO and closely combining NATO with the U.S.-Japan military alliance. From this point of view, the NATO security colloquium attended by Japan should be regarded as something more than a mere forum. By tightening the military relations with NATO the Japanese reactionaries seek to play a role of the eastern shock brigade on the anti-communist, anti-socialist front of the imperialist forces and embark in real earnest upon the road of militarist reinvasion.

The persistent scheme of the Japanese reactionaries to revise the "SDF" law in order that the "SDF" personnel may participate in the U.N. peacekeeping activities is nothing but an expression of their wild ambition for overseas expansion. They scheme to reduce the article of the Japanese Constitution banning troop dispatch abroad to a mere name and pave a broad road of reinvasion and thus freely conduct military activities in Asia and other areas.

Urged by this sinister intention, the Japanese reactionary government authorities have gone so far as praising the history full of crimes, far from repenting of and apologizing for the unheard-of brutal crimes of aggression committed by the Japanese imperialists against the Korean people and other Asian peoples in the past.

The buildup of aggressive armed forces stepped up by Japan in conspiracy with the U.S. imperialists and its growing ambition for overseas expansion are the main factor of the strained situation in Northeast Asia. The Korean and other Asian peoples and the peaceloving people of the world are heightening vigilance against the reinvasion moves of Japanese militarism.

Soviet Rowers Perform Off Chongjin 25 Jun

SK2606050590 Pyongyang KCNA in English 0405 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—Members of the Vladivostok Yacht Fleet of the Soviet Union for the Independent Reunification of Korea on a visit to North Hamgyong Province gave a demonstration performance on the sea off Chongjin on June 25.

Men and women performers showed their refined skills and staunch spirit in the 1,500 metre rowing. Especially, a young performer who had won the home women's single speed rowing title demonstrated her excellent technique and skill.

Further on Belgian Labor Party Delegation Visit

Meets With Kim Yong-sun

SK2406093090 Pyongyang KCNA in English 0807 GMT 24 Jun 90

[Text] Pyongyang June 24 (KCNA)—Talks between delegations of the Workers' Party of Korea and the Belgian Labour Party were held here Saturday. Present at the talks on our side were Kim Yong-sun, secretary, and Kim Hyong-u, vice-director of a department, of the Central Committee of the Workers' Party of Korea, and other officials concerned and on the opposite side were the members of the delegation headed by Ludo Martens, chairman of the Central Committee of the Belgian Labour Party. The talks proceeded in a friendly atmosphere.

Kim Il-song Receives Group

SK2506104990 Pyongyang KCNA in English 1036 GMT 25 Jun 90

[Text] Pyongyang June 25 (KCNA)—The great leader Comrade Kim Il-song today received the delegation of the Belgian Labour Party led by Ludo Martens, chairman of its Central Committee, on a visit to Korea. Present there were Kim Yong-sun, secretary, and Kim Hyong-u, vice-director of a department, of the Central Committee of the Workers' Party of Korea. Comrade Kim Il-song conversed with the guests in a cordial and friendly atmosphere. The guests presented a gift to Comrade Kim Il-song. Comrade Kim Il-song gave a luncheon for the guests.

Pakistani Party Leader Praises Kim Il-song

SK2306044090 Pyongyang KCNA in English 0420 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—Nusrat Bhutto, chairperson of the Pakistan People's Party, said that her recent visit to Korea was very successful, when she met the Korean ambassador to her country on June 20.

She said: His excellency President Kim Il-song is a great leader and people's leader who is tender-hearted and magnanimous, and clearly analyses and appreciates all the international affairs. The Korean people under the leadership of his excellency the great President Kim Il-song has splendidly built the country and wrought miracles.

I will never forget the impressions I got while visiting the Democratic People's Republic of Korea. Declaring that the support of the Pakistani people to the Korean people's cause of reunification is invariable, she hoped that the Korean people would reunify the country peacefully without any foreign interference.

Egypt's Leader Wishes DPRK 'Constant Success'

SK2606050390 Pyongyang KCNA in English 0402 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea, received a solidarity message on June 23 from Muhammad Husni Mubarak, president of the Arab Republic of Egypt, on the occasion of the month of solidarity with the Korean people.

The message wishes the Korean people constant success in their endeavours to realise their desire for national reunification and the development of the economy. Taking this opportunity to express satisfaction over the close relations of friendship and cooperation existing between the two countries and two peoples, the message stresses that deep concern is paid to further strengthening and developing these relations in the common interests and in accordance with peace and security of the whole world.

Kim Il-song Sends Message to Mozambican Leader

SK2406092290 Pyongyang KCNA in English 0843 GMT 24 Jun 90

[Text] Pyongyang June 24 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of greetings on June 22 to Joaquim Alberto Chissano, president of the Mozambique Liberation Front party and president of the People's Republic of Mozambique [PRM], on the occasion of the 15th anniversary of the independence of Mozambique and the founding of the People's Republic of Mozambique.

The message noted that the independence of Mozambique and the foundation of the PRM were an important event which opened a broad avenue for creating a new life in the history of the Mozambican people.

Today the Mozambican people are making great progress in the efforts to promote national unity and realise the programme for reconstruction of the nation under the leadership of the Mozambique Liberation Front party led by Joaquim Alberto Chissano, it said.

Stressing that the Korean people express firm solidarity for the just struggle of the Mozambican people to achieve the country's peace and stability and build a prosperous new society, it expressed the belief that the friendly and cooperative relations between the two peoples would grow stronger and develop day by day.

Article Marks Mozambican Independence Anniversary

SK2506060490 Pyongyang KCNA in English 0542 GMT 25 Jun 90

[Text] Pyongyang June 25 (KCNA)—NODONG SINMUN today dedicates a signed article to the 15th anniversary of the independence of Mozambique and the foundation of the Republic.

Pointing out that the Mozambican people are actively striving to firmly defend the gains of the revolution and attain the national cohesion and unity, peace and stability of the country, the economic revival and development under the leadership of the Mozambique Liberation Front Party headed by Comrade Joaquim Alberto Chissano, the article says: The Mozambican Government is making efforts for the relaxation of the situation and stability of the country, proposing a peace negotiation with the "Mozambique national resistance movement", a counter-revolutionary group.

The Mozambican people are struggling to achieve the unity of Africa and establish a new equitable international economic order against imperialism, colonialism and apartheid. The Korean people express solidarity for the just struggle of the Mozambican people.

Both the Korean and Mozambican peoples have long forged the bonds of friendship in the common struggle for the cause of independence. The friendly and cooperative relations between the peoples of the two countries have further developed since the establishment of diplomatic relations between the two countries on June 25, 1975, and are now favourably developing with every passing day in accordance with the idea of independence, peace and friendship. This is beneficial to the building of a new society in the two countries, to the strengthening and development of the non-aligned movement and the peoples' cause of anti-imperialism and independence. The Korean people will actively strive for the further development of the friendly and cooperative relations with the Mozambican people in the future, too.

Western Saharan Leader Supports Unity Proposal

SK2306042490 Pyongyang KCNA in English 0408 GMT 23 Jun 90

[Text] Pyongyang June 23 (KCNA)—Korea must be reunified in a peaceful way through the foundation of the democratic confederal republic of Koryo in accordance with the policy advanced by his excellency the great President Kim Il-song, said Mahfoud Ali Beiba, chairman of the Council of Ministers of the Saharan Arab Democratic Republic [Western Sahara]. He expressed support to the Korean people's cause of national reunification when he met a DPRK Government delegation on June 18.

He declared that the foreign troops must be pulled out of South Korea at an early date. He expressed firm belief that Korea is sure to be reunified.

Kim Il-song Sends Message to Malagasy President

SK2506112290 Pyongyang KCNA in English 1039 GMT 25 Jun 90

[Text] Pyongyang June 25 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on June 23 sent a message of greetings to President Didier Ratsiraka of the Democratic Republic of Madagascar on the occasion of the 30th anniversary of the Malagasy independence and the 15th anniversary of the start of the socialist revolution in Madagascar.

The message says: The independence of Madagascar and the start of the socialist revolution in your country are events of weighty significance in the history of the Malagasy people. The Malagasy people have made a great stride forward in the struggle to consolidate the gains of the revolution, attain the national unity and carry out the socialist revolutionary charter under your correct leadership.

The Korean people sincerely rejoice over the achievements of the Malagasy people and express full support and firm solidarity for the just struggle of your people to solidify the national independence, build socialism and a new just society and turn the Indian Ocean into a peace zone.

The message expresses the belief that the excellent relations of friendship and cooperation between the two countries will grow stronger and develop, and wishes the Malagasy president greater success in his work for the independent development and prosperity of the country.

NODONG SINMUN 25 Jun Issue Reviewed

SK2506062290 Pyongyang KCNA in English 0532 GMT 25 Jun 90

[Review of NODONG SINMUN]

[Text] Pyongyang June 25 (KCNA)—NODONG SINMUN today carries a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, to Joaquim Alberto Chissano, president of the Mozambique Liberation Front Party and president of the People's Republic of Mozambique, on the occasion of the 15th anniversary of the independence of Mozambique and the founding of the People's Republic of Mozambique.

Meetings were held in different countries in congratulation of the great leader Comrade Kim Il-song upon his reelection as president of the Democratic People's Republic of Korea and letters came to him, says NODONG SINMUN.

According to the paper, the bulletin banner of independence published by the Latin American Institute of the Chuche Idea carried a work of dear Comrade Kim Chong-il.

It is reported in the paper that the government of the Democratic People's Republic of Korea decided to send a powerful medical group and aid materials worth 1,000,000 dollars to Iran in connection with the heavy casualties and financial losses which have been caused by a recent strong earthquake in Iran.

Today is the 40th anniversary of the U.S. imperialists' provocation of a war of aggression on Korea. On "June 25, the day of struggle against U.S. imperialism" the paper editorially calls upon the whole nation to turn out to decisively frustrate aggression and war moves of the U.S. imperialists. Given in the paper are accounts of mass rallies and demonstrations held in provincial seats and national indignation meetings of working people and students, together with articles and pictures denouncing the U.S. imperialist aggressors.

Economic news columns of the paper include a report that the workers and three-revolution team member of the Pyongyang Textile Combine are effecting a new innovation in the production of fabrics.

"Excellent Slogan Reflecting Unquestioned Trust of our People in Party" is the title of a NODONG SINMUN article.

The chairperson of the Pakistan People's Party met with the Korean ambassador to her country and friendship gatherings with the participants in the international conference for disarmament, cooperation and development in the Asia-Pacific region were held in different places of the country, say the paper.

Given in the paper are accounts of functions held abroad on the occasion of the month of anti-U.S. joint struggle. The paper conveys foreign public voices calling for an early reunification of Korea.

The paper reports that the "National Alliance of Trade Unions" (Chonnohyop) of South Korea released a white paper condemning the brutal suppression by the No Tae-u fascist clique.

It comes out with a commentary denouncing the ever intensifying fascist frenzy of the No group.

It observes the 15th anniversary of the independence of Mozambique.

The Political Bureau of the Central Committee of the Lebanese Communist Party inveighed against the aggressive policy of the newly formed Israeli Government, the second vice-president of Tanzania called for complete liquidation of racism in South Africa and the Cuban paper GRANMA carried an article exposing and condemning the anti-Cuba moves of aggression by the United States.

The paper carries news that non-aligned and developing countries are developing cooperation in various fields.

Carried in it is an article headlined "Maniacs Overheated With Nuclear Adventure."

Defectors Show Reverence Toward Kim Il-song

SK2206154290 Pyongyang KCNA in English 1522 GMT 22 Jun 90

[Text] Pyongyang June 22 (KCNA)—Yi Sang-hyon, former navigation officer of a merchant ship of the Pusan-Osaka-Kobe Shipping Company, South Korea, and Yi Ok-sun who defected to the northern half of the country toured Kangwon Province.

After visiting the Kangwon provincial museum of revolutionary activities of Comrade Kim Il-song, Yi Sang-hyon said: Respected President Kim Il-song, having defeated the brigandish Japanese imperialists and accomplished the noble cause of national liberation, gave on-the-spot guidance to Kangwon Province on scores of occasions after the liberation and converted this province into a holiday resort of culture, a world-famous tourist site and a socialist paradise where people lead a happy life.

He is the great sun of the nation and the kind father of the Korean people who have devotedly worked for the prosperity and development of our country and the freedom and happiness of the people. While visiting the Wonsan Orphans' Middle School, Yi Ok-sun said:

The great leader President Kim Il-song set up the orphans' middle school for parentless children in the grim days of the fatherland liberation war against the invasion of the U.S. imperialists and showed warm loving care bringing them up well. Under his kind care, the orphans do not feel sad for their parentlessness but lead a happy life with nothing more to desire, bringing their wisdom and talents into full bloom.

This is beyond imagination in South Korean society. The socialist system in the North established by respected President Kim Il-song and glorified by the dear leader Mr. Kim Chong-il is a system of welfare society where all people lead a happy life.

Newspaper Comments on 'Ardent Loyalty' to Party

SK2506103490 Pyongyang KCNA in English 1019 GMT 25 Jun 90

[Text] Pyongyang June 25 (KCNA)—"Once the party is determined, we will carry anything out!" is a very good slogan reflecting the unquestioned trust of our people in and their ardent loyalty to the party, says NODONG SINMUN today in a signed article titled "Good Slogan Reflecting Unquestioned Trust of Our People in the Party."

The author of the article says: This slogan means accepting the idea and intention of the party as their vital demand always with undisputed trust in the party and unconditionally carrying them through under any circumstances. The slogan reflects the revolutionary faith and unshakable will of our people to invariably uphold the party with loyalty and creditably carry through its line and policy without the slightest deviation. It is a slogan which our people and people's Army soldiers themselves put forward with deep understanding of our party's greatness in the course of powerfully conducting the movement of grand socialist march under the leadership of the great party.

The great leader Comrade Kim Il-song taught: "Through a long period of revolutionary struggle our party has earned unqualified support and trust from the masses and become an unconquerable party which is firmly united, and has rich experience and the ability to give seasoned leadership." This slogan reflects the immensely high revolutionary spirit of our people to be faithful to the determination and will of the party, united around the party with a single heart.

It, first of all, concentrically reflects the noble ideological and spiritual traits of our people who accept the idea and intention, determination and will of the party as their vital need. It also powerfully pulsates with the spirit of absoluteness and unconditionality of our people towards party's policy whereby to unconditionally carry through the party's determination and will under any circumstances.

The article continues: It is the traditional noble ideological and spiritual trait and way of struggle displayed by our people to successfully implement the line and policy of the party with intense loyalty to the party and the leader under any circumstances.

The slogan that once the party is determined, we will carry anything out is loudly ringing out from among our people and the people's Army soldiers in a historic period when the cause of modelling the whole of society on the chuche idea is being vigorously stepped up under the wise leadership of the party and the leader. This clearly proves that the unshakable faith and will of our people who have consistently carried through the idea and intention, line and policy of the party, holding their leader in high esteem in the whole course of the revolutionary struggle have become immutable and the history of loyalty is being inherited and developed brilliantly generation after generation.

'Pochonbo Torch Prize' Games Begin 25 Jun

SK2606051990 Pyongyang KCNA in English 0406 GMT 26 Jun 90

[Text] Pyongyang June 26 (KCNA)—The opening ceremony of the "Pochonbo torch prize" sports games was held at the Pukchong Stadium in South Hamgyong Province on June 25. The games are held to commemorate the day of the historic victory in the Pochonbo battle in which the great leader General Kim Il-song dealt an annihilating blow at the Japanese imperialist aggressors on June 4, 1937.

National and local sports teams will compete in track and field, football, shooting, weightlifting and other events. The games will be held in Pyongyang and local places till July 20.

South Korea

North Agrees To Hold North-South Talks 3 Jul

SK2606033390 Seoul Domestic Service in Korean 0300 GMT 26 Jun 90

[Text] The South-North dialogue which has been suspended for five months will reopen on 3 July. The South-North dialogue secretariat revealed that the North Korean side today sent a telephone message saying that it agrees to our side's counterproposal to hold the seventh preliminary talks of the South-North high-level talks on 3 July.

Therefore, the seventh preliminary talks of the South-North high- level talks which have been suspended since the sixth preliminary talks on 31 January will reopen after five months on 3 July in the "House of Peace" in our side's area at Panmunjom.

The Government predicts that there will be difficulties in the talks due to the North side adhering to its original position but it will approach the talks with flexibility. The Government also plans to do its utmost to achieve the South-North high-level full-dress talks as soon as possible.

Pak Chol-on Quoted on Northern Policy, Summit

SK2606074890 Seoul YONHAP in English 0657 GMT 26 Jun 90

[Text] Taegu, South Korea, June 26 (YONHAP)—South Korea is poised to clinch diplomatic relations with all communist nations in the world and there will be free travel between the two halves of the Korean peninsula by February 1993, Rep. Pak Chol-on of the ruling Democratic Liberal Party (DLP) predicted Tuesday.

A confidant of President No Tae-u, Pak said Seoul and Moscow would establish diplomatic relations this year, though the two governments have not yet signed an agreement on the matter. Speaking at a seminar on the June 4 Korea-Soviet summit, Pak said the two nations could open diplomatic relations sooner if bilateral cooperation expanded in the economic, scientific, cultural and technological fields. "Soviet inducement of Japanese capital and changes of U.S. policy toward Moscow may greatly affect the timing of diplomatic relations between our two countries, but changes inside the Soviet Union would not stop the improvement of Seoul-Moscow ties," he said.

Pak, widely believed to be the architect of No's northern policy, claimed that he sowed the seed of the unprecedented Seoul-Moscow summit in August 1988, when he visited the Soviet Union with a message from No. "The summit signalled Seoul's active role in world diplomacy, encouraged North Korea's opening, served as a crucial impetus for the improvement of Seoul-Beijing ties, and provided a stepping stone for national development and economic expansion," he said.

He said Northern policy, which began to take shape when diplomatic relations were set up with Hungary in February 1989, aimed at establishing relations with every communist nation by February 1993. Pak did not explain how the deadline had been set.

Pak visited the Soviet Union again this March with Kim Yong-sam, the ruling party's no. 2 man. A dispute developed over who should take credit for the improvement of bilateral ties, and Pak resigned as the state minister for political affairs in April. When No and Soviet President Mikhail Gorbachev met in San Francisco, Kim declared that he had laid the bricks for the summit during his trip to Moscow.

Editorials Discuss War on 40th Anniversary

SK2506120090

[Editorial Report] On 24 June, TONG-A ILBO, a Seoul Korean-language newspaper, on page 2, carried a 2,000-word editorial entitled "Lessons from Korean War, Marking its 40th Anniversary—Hoping This Day Serves as an Occasion to Break North Korea's Preposterous Dream."

Pointing to the "tragedy of cruel and immoral internecine war" as seen during the 1950-1953 Korean war, the paper said that despite such means of force, the tragedy of the nation's division was not settled, and the Korean war merely remained a "historic record" for the postwar generations. Calling on the people to correctly understand the "causes and process of the Korean war," as well as its "aftermath," the editorial defines the Korean war as an "internal conflict provoked by Kim Il-song" under the pretext and logic of the "fatherland liberation war" and refers to the materials and facts about the Korean war made public recently. The paper stresses that we should clearly understand the "historic crimes and sins of Kim Il-song as the provocateur of the war" and that we should secure "moral superiority" over North Korea. Giving details of the great number of casualties and damages our people suffered from the war, the editorial deplores the fact that despite this, our people have lived a "40-year long era of discord" between the North and the South. Pointing to the vigorous "aspirations and will" of our people for national reunification, the paper stresses that the reunification should be achieved through "reconciliation and unity" not by means of "armed forces" and holds that the "final goal" of our efforts for coexistence with the Soviet Union and China should be aimed at "leading North Korea to the table of reconciliation and cooperation" and at encouraging it to join the "great trend of global history" by giving up its "self-righteousness" and "closing." The editorial concludes by calling on the people to "take the initiative" in achieving national reunification by helping North Korea "break" its "preposterous dream."

On 25 June, five Seoul Korean-language newspapers published editorials on the occasion of the 40th anniversary of the outbreak of the Korean war. CHOSON ILBO on page 3, carried a 1,000-word editorial entitled "We Should Correctly Understand the 25 June Korean War." Noting that the number of those who remember the Korean war is decreasing and now constitutes only 27 percent of the entire population, the paper deplore the fact that the "non-25 June generation" is not aware of the "inhumane, illegal and immoral acts of North Korea, which carried out a surprise southward invasion while firing guns at the hearts of fellow countrymen 40 years ago." Denouncing North Korea for constantly instigating "anti-U.S. and anti-South hostility," the editorial urges the people to "call to account the one who raised the curtain of the tragedy of conflict between fellow countrymen." The paper also stresses that we should make North Korea "admit its crimes committed 40 years ago" as we will not "allow" a second Korean war. The editorial notes that North Korea is attempting to "varnish" its crimes while talking about "North-South dialogue" and "disarmament" and that we should not let North Korea "repeat the crime."

HANGUK ILBO on page 2 carries a 1,200-word editorial titled "Greeting the 40th Anniversary of the 25 June Korean War—When Will the Cold Air on the Korean Peninsula Be Lifted?" Referring to some of the "young generation" in our society who support the theory of "northward invasion," the paper stresses that such a theory is simply "preposterous" and that this theory is no longer a "myth" because of the "road opened between Seoul and Moscow." The paper said that despite progress in dissolving the cold war system in the East and West, the Korean peninsula did not get rid of "aftermath of tragic war rackets committed by Kim Il-song 40 years ago" and concludes by stressing efforts to build a "structure of peace."

SEOUL SINMUN on page 2 carries a 2,000-word editorial titled "Let Us Not Talk about the War Again—On the 40th Anniversary of the 25 June Korean War." Noting that "today's situation" in Korea is not different from 40 years ago when North Korea hailed shells on us while propagandizing "peace," "nation" and "reunification," the paper analyzes who provoked the war, stressing that the "southward invasion" is the historic truth, which no one can deny and which is known to the entire world. The editorial emphatically brands Kim Il-song as the "ringleader" and North Korean communists as the "accomplices" who triggered the tragic Korean war.

Giving details on the victims and damages caused by the war, the editorial points out that despite this, Kim Il-song has never "recognized" his "errors and responsibility" for provoking the war nor has North Korea retreated even an inch from its "strategy for communizing the South" while talking about "national reunification and liberation" with its door "tightly closed" to the outside world.

The editorial concludes by calling on North Korea to talk about genuine "peace" and "reunification."

In its 25 June issue, page 2, CHUNGANG ILBO published a 1,000-word editorial headlined "What does the 25 June War Mean to Us?—Let Us Think it Over on the 40th Anniversary of the Korean War." Pointing to the work of confirming the truth that the Korean war began with North Korea's "southward invasion," the editorial stresses "new logic and consciousness" corresponding to the new era and our efforts to seek the "value and worth" which both the North and the South can share together. The paper urges the North to discard its logic on "national liberation."

KYONGHYANG SINMUN on page 2 publishes a 1,200-word editorial headlined "There Is Only One Truth Behind the 25 June Korean War—Some Revisionists' Analysis Should Be Crushed." The editorial says that the recent revisionist theory supporting "northward invasion" is a "treachery" against history and an "insult" to those who were sacrificed in the war. The paper points out that all facts and materials even from the communist sources reached a conclusion that the Korean war was the "joint work" of Kim Il-song and Stalin, and urges the people to correct the young generation's "distorted view" on history.

Business Group To Promote Inter-Korean Trade

SK2306065690 Seoul YONHAP in English 0651 GMT 23 Jun 90

[Text] Seoul, June 23 (YONHAP)—A consultative body of South Korean private businesses to promote trade between South and North Korea will be established and begin operation in July, the Korea Foreign Trade Association said Saturday.

It will comprise some 30 businesses that have experience in trade with the North including eight general trading companies. The body, to be set in the association, will hold regular meetings to seek ways to expand trade between the South and the North.

Report Outlines Goals for Exchanges With North

SK2306071390 Seoul YONHAP in English 0640 GMT 23 Jun 90

[Text] Seoul, June 23 (YONHAP)—South Korea's trade with North Korea should be intended for the establishment of a basis for an inter-Korean common economic community rather than for a mere pursuit of profits, the Korea Economic Research Center said in a report Saturday. The institute, run by the Korea Chamber of Commerce and Industry, said it would be easy for the North to accept a barter trade with the South if the exchanges begin with goods, whose quality level is comparable.

It would be desirable for the South to create an economic cooperation fund to be ready for loans to the North because bilateral trade is expected to result in an import surplus for the North due to its weak export potential, according to the report.

The report said economic cooperation has a better potential for success than for exchanges of goods between the two sides, citing a joint development and export of North Korean natural resources, joint fisheries and processing of fishery products, common utilization of roads, air routes and railroads as being among the possible fields of common economic cooperation.

Such economic cooperation should be pursued in ways that can help the North acquire foreign exchanges and reduce foreign debts, thus ultimately prompting the opening of North Korea, it said.

North's Scientists Not Participating in Symposium

SK2606070090 Seoul YONHAP in English 0602 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP)—Some 4,000 Korean scientists from around the world gathered here Tuesday to open an academic symposium. Nearly 500 expatriate Korean scientists flew in for the gathering, 450 from the United States, Canada and Europe and 29 from China and the Soviet Union. The eleventh of these events since 1974, the "1990 synthetic academic symposium of Korean ethnic scientists and technologists in the world" will be at Korea University's science library until Saturday.

It is the first time Korean scientists in communist nations have attended the week-long meeting, which will also pledge exchanges of scientific and industrial information as well as friendly ties, according to the organizer, the Korean Federation of Science and Technology (KFST). KFST, a private organization of professors financed by the government, has seven overseas branches.

North Korean professors and scientists were invited, but no reply was made to an invitation sent to the North through Japan, the federation said.

From Tuesday to Friday, there will be special conferences and panel discussions on 11 scientific subjects, and 500 theses, 380 of them from abroad, are to be introduced.

Business Groups Postpone Soviet Investments

SK2606005790 Seoul THE KOREA HERALD in English 26 Jun 90 p 6

[Text] Korean business groups' investment rush to the Soviet Union is notably slowing down, faced with a number of realistic problems. In the wake of the No-Gorbachev summit, the Korean conglomerates went all out to make direct investments or joint-venture projects in Russia with the expectation of an improved investment climate in Moscow. The consequent Russo-Korean contacts, however, failed to conclude business treaties for an investment guarantee and double taxation avoidance, forcing the business groups to put off or temporarily back away from their initial project plants, business sources said yesterday. The government also dashed cold water on the reckless investment restraint, while encouraging commodity trade.

Hyundai Business Group, the front-runner to tap the Soviet market, has decided to postpone a coal project in the Soviet Far East to next year, while temporarily suspending the construction of a trade center, prefabricated concrete plant and timber factory.

Samsung Business Group, judging that the risks involved in direct investments are too high at the present stage, decided to focus on commodity trade and technology introduction. The group officials see little chance of starting the construction of a $100-million electronic parts plant and a $4 million light industrial factory as scheduled for this year. Other businesses which had been promoted but later put on the shelf by Samsung are a Siberian lumber project, and the construction of a tourist hotel, factories to manufacture color TV picture tubes, paper and sugar.

Lucky-Goldstar Group also decided not to promote direct investment projects other than the $380-million business machine manufacturing plant under a joint venture with U.S. and Soviet partners. It had attempted to construct a tourist hotel, a refrigerator factory with an annual output of 1 million units and other plants to make daily necessities such as toothpaste and soap.

Daewoo Business Group nullified its plan to build a $75-million tourist hotel in Moscow and is holding back plans for constructing apartments, a textile plant, and joint-venture shipyards.

Lotte Group decided not to launch the construction of department stores in Moscow and Leningrad.

Government Approves Hyundai Venture in Siberia

SK2606014690 Seoul YONHAP in English 0130 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP)—Hyundai Corp. Was given the go-ahead Monday by the government to develop forest land in the Soviet Far East in a joint venture with a Soviet forestry association. Hyundai's application was approved in a meeting of the working-level committee on northern economic policies, chaired by Vice Economic Planning Minister Yi Chin-sol.

The Soviet association and Hyundai will farm 837,000 hectares of forest in Svetlaya, Siberia, over 30 years, jointly investing 53.8 million U.S. dollars in the project.

The committee also approved three joint-venture projects with China by four companies: A 4.3 million-dollar composite feed stuff plant and a 3 million-dollar antenna plant in Liaoning Province, and a 6.6 million-dollar factory to produce textiles for toys in Guangzhou.

Dusan To Export Ginseng Products to USSR

SK2306013090 Seoul THE KOREA TIMES in English 23 Jun 90 p 8

[Text] Dusan Industrial will export processed ginseng products to the Soviet Union. According to business circles, Dusan has recently signed a contract with the Soviet Union to export 100,000 bottles of ginseng drink worth $250,000 by the end of this year.

It is reported that the first shipment of 20,000 bottles to the Soviet Union will be made early next month. All ginseng drinks which will be exported to the Soviet Union will bear the Dusan trademark.

In the meantime, Dusan is determined to explore markets of other socialist countries such as Hungary and Czechoslovakia for exports of processed ginseng products.

Direct Communication Lines To Open With Vietnam

SK2406021290 Seoul THE KOREA HERALD in English 24 Jun 90 p 3

[Text] Direct International Subscriber Dialing (ISD) lines will open between Korea and Vietnam July 4, the Korea Telecommunication Authority (KTA) said yesterday. The two countries agreed early this month to open two direct telephone lines, according to KTA. The two nations will also set up 12 telex lines. The agreement was made when communications ministry officials from Vietnam, led by Dang Van Than, came to Korea at KTA's invitation, officials said.

The two countries are currently negotiating installment of Korea's digital switching system TDX in Vietnam as well as Korea's participation in Vietnam's communications service development, officials said. Opening of direct lines is an effort to strengthen future ties, one official said. The two have no diplomatic ties.

Calls, fax and telexes have until now been relayed through Sydney, Australia. When direct lines are set up, they will go straight to the ground station in Saigon, Vietnam, via an Intelsat (International Satellite) over the Pacific, KTA said.

Calls between the two countries are increasing somewhat. Exchanges in the first half of last year averaged around 300 to 400 per month but rose to an average of more than 2,000 so far this year, according to KTA.

Romanian Economic Delegation Arrives in Seoul

SK2406022590 Seoul THE KOREA HERALD in English 24 Jun 90 p 2

[Text] A six-member Romanian economic delegation arrives in Seoul today for negotiations on an investment guarantee accord and other agreements to expand bilateral economic cooperation, the Foreign Ministry announced.

The Romanian delegation will be led by Ioan Vasiliu, deputy minister of foreign trade. His Korean counterpart will be Yi Ki-chu, assistant foreign minister for economic affairs.

The agreements the two sides seek to conclude include a trade accord and pact on economic, scientific and technological cooperation, the announcement said.

Vasiliu is also scheduled to meet officials of the Finance and Trade-Industry ministries, and visit some businesses.

The Romanian delegation is to leave Seoul Thursday.

Increase in EC 'Protectionist Moves' Noted

SK2406024790 Seoul THE KOREA TIMES in English 24 Jun 90 p 8

[Text] The European Community has been further mounting protectionist moves against Korean exports this year and exports of several Korean items have even been blocked. The Korean Institute for Economies and Technology (KIET) reported yesterday that Korea's trade surplus with the EC decreased from $2,090 million in 1988 to $902 million in 1989. Furthermore, the trade balance turned to a deficit amounting to $299 million during the first three months of this year. It is the first time in 18 years that the trade account with the EC has seen in red ink.

The EC has made use of its anti-dumping tool most in controlling imports of Korean commodities with the cases increasing from one in 1988 to four last year and eight this year.

Besides this, regulations on certificates of origin and reciprocity have been another tool to restrict imports of Korean goods and to put pressure on Korea to open its markets.

Export declines of commodities under import control by the [illegible] were 38.2 percent in color TV sets sized 16 inches or less during the first quarter of this year from a year earlier, 73.8 percent in chloro-glutamic acid, 11.1 percent in video tapes, 88.6 percent in oxalic acid and 4.4 percent in textiles. There were exports to the EC of compact disc players.

Last year, exports of color TV sets to the EC decreased 75.6 percent from the previous year, that for chloroglutamic acid 64.5 percent, compact disc players 34.6 percent, video cassette recorders 60.2 percent, oxalic acid 16.7 percent, video tapes 7.6 percent, bicycle tubes 12.9 percent and textiles 12.6 percent.

The institute forecast the EC will strengthen protectionist moves prior to the birth of the EC single market to protect industries within the bloc. KIET analyzed that EC's import restrictions on Korean commodities have been attributed to probable fear of damages to their industries and complaints against the discriminatory action of the Korean government in market opening measures and showering exports of electronics and textile products on the region.

To recover from the EC's import restriction, domestic manufacturers have to divert export markets of electric and electronics goods and textile products away from the EC, while developing new export items to the region.

EC's anti-dumping regulations also should be closely examined by Korea as European manufacturers have frequently use anti-dumping suits, the institute noted. It then recommended that domestic manufacturers develop technology and improve quality and distribution channels to avoid the EC's protectionist moves, along with strengthened cooperation with EC markers through such means as joint investment.

Indonesian Foreign Minister Arrives for Visit

SK2406025590 Seoul THE KOREA TIMES in English 24 Jun 90 p 2

[Text] Indonesian Foreign Minister Ali Alatas flew into Seoul yesterday for a four-day official visit at the invitation of his Korean counterpart Choe Ho-chung.

Government, Red Cross Send Relief Funds to Iran

SK2306061090 Seoul YONHAP in English 0600 GMT 23 Jun 90

[Text] Seoul, June 23 (YONHAP)—The South Korean Government sent 50,000 U.S. dollars in a relief fund Saturday to Iran suffering from Thursday's earthquakes, the Foreign Ministry said.

The Korea National Red Cross has also decided to send 10,000 dollars and 5,000 sheets of blankets to Iran, while collecting relief supplies such as blankets and drugs from the people, the ministry said.

The government and Daelim and other firms doing business in Iran are discussing ways of participating in a rehabilitation work there, it said.

Government Loan for Philippine Joint Venture

SK2606071890 Seoul YONHAP in English 0640 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP)—South Korea will lend 618 million won (864,000 U.S. dollars) to a Korean-Philippine joint venture silkworm farm, according to the Finance Ministry Tuesday.

The state-run Export-Import Bank of Korea will extend Ang Puno Silk Korea the won-denominated loan at an annual interest rate of 5 percent, repayable over 15 years after a five-year grace period.

The money for the project to raise silkworms and harvest raw silk in the Philippines will come from the Korean Government's overseas economic cooperation fund, the ministry said.

Beef Talks With New Zealand Begin Today

SK2506073090 Seoul YONHAP in English 0718 GMT 25 Jun 90

[Text] Seoul, June 25 (YONHAP)—Korea and New Zealand began talks on beef import quotas here Monday with expectations of reaching an agreement, the Ministry of Agriculture, Forestry and Fisheries announced.

Also up for discussion in the two days of talks are Korea's beef market opening timetable and formation of a joint investigation team. Korea agreed in talks with the United States on March 21 to raise its beef import quota by 4,000 tons this year and each of the next two years and to adopt the simultaneous buy and sell tender system.

And it agreed on April 25 with Australia to raise its global beef import quota by 1,500 tons this year and 4,000 tons each of the next three years and to adopt the simultaneous buy and sell tender system.

Sin Ku-pum, director general of livestock policy at the ministry, heads the Korean delegation while Don Greenfield leads the New Zealand delegation.

Lawmakers Debate Changing to Cabinet System

SK2506063690 Seoul YONHAP in English 0609 GMT 25 Jun 90

[Text] Seoul, June 25 (OANA-YONHAP)—Debate on the system of government and pressing national issues dominated Monday's special session of the South Korean National Assembly. Rep. Kim Yong-chae of the ruling Democratic Liberal Party (DLP) called for revising the constitution to replace Korea's presidential system with a parliamentary cabinet system. "The government should seek a parliamentary cabinet system rather than the presidential government system to help the nation effectively cope with reunification, eliminate regional animosity and realize national reconciliation and social unity," said the close aide to Kim Chong-pil, a party leader and a strong advocate of the parliamentary system.

Kim dismissed opposition claims that installing a cabinet system was part of a DLP plot to perpetuate its rule and said that most advanced countries, except the United States, have a parliamentary cabinet system. "We have preferred the presidential system only from political or emotional viewpoints... I say the time has come when we have to seriously consider adoption of a cabinet government system," he said.

Rep. Kim Won-ki of Kim Tae-chung's Party for Peace and Democracy (PPD) strongly demanded the government declare to the people that it would not seek constitutional revision to adopt a cabinet setup. "The moves for the cabinet government system came from the DLP's judgement that it would retain a majority of national assembly seats with power and money, and that a specific group (within the DLP) is able to maintain power whoever becomes prime minister under the cabinet government system," the PPD lawmaker said.

Noting DLP Chairman Kim Yong-sam's statement that the DLP will not seek a cabinet system in defiance of the people's will or that of the opposition, the former floor leader urged Prime Minister Kang Yong-hun to get the government to promise not to revise the constitution in favor of a parliamentary system.

Another PPD Lawmaker, Rep. Yi Hae-chan, said President No Tae-u could retain his post under a cabinet system. Yi demanded that No declare he would not seek a second term as president even if a cabinet setup were adopted.

On inter-Korean issues, DLP Rep. Kim Tok-yong asked the government to review a disarmament proposal made recently by North Korea. The close aide to Kim Yong-sam, in a rare stand by a ruling party lawmaker, urged the government to accept opposition calls for democratic reforms, including revision or abolition of the National Security Law and the law on the agency for national security planning.

Implications of 'Populist' Party Analyzed

SK2406023790 Seoul THE KOREA HERALD in English 24 Jun 90 p 2

[By staff reporter Yu Kun-ha]

[Text] The envisioned party for the masses is surely a novel phenomenon on the domestic political scene. But it is not the first of its kind in the nation's modern political history.

In the mid-1950s, there was Chinbodang, or the Progressive Party, which was led by a fiery radical named Cho Pong-am. Cho ran for president in the 1956 election, challenging the nation's charismatic dictator Syngman

Rhee. His bid for power was unsuccessful and the cost of the challenge was his life. The envisaged leftist radical party has nothing to do with the ill-fated Progressive Party of the 1950s, although it is not impossible to detect some similarity in their ideological penchant.

The promoters of the fourth party which would complicate the present three-party structure have announced that the party would be formally inaugurated around Sept. 20, with some 70 district party chapters created by then. Thus, in autumn, the party configuration would be completed, with the DLP [Democratic Liberal Party] in domination, PPD [Party for Peace and Democracy] leading the opposition, DP [Democratic Party] meagerly represented in the National Assembly and the nascent party for the masses striving to mount anti-DLP movement without any parliamentary strength.

The birth of the populist party, however, has more significant implications than a mere change in party contour it would bring about. Primarily, the party would symbolize the coming on to the scene of "established" politics of the staunchiest anti-dictatorship fighters who originate in the 1970s.

In the 1970s and 1980s, it had been difficult to distinguish between anti-government and anti-regime struggles because the dictatorial governments were easily identified with the regime itself. This confusion was in fact abused by the dictators who repressed their political enemies under the pretext of preserving their liberal democratic regimes.

For the anti-government fighters of the 1990, it became necessary to more clearly define the nature of their struggle. And they could no longer characterize their activities as against the democratic regime because the incumbent government was set up through a free, democratic election. Although they do not regard the incumbent government as "impeccably" legitimate, they are aware that it is regarded as such by a large majority of the electorate.

The decision to create their own party, hence, shows a recognition that the present regime is fundamentally different from the authoritarian one of the past decades and that if so, the anti-government fighting could be successfully waged within the regime and not necessarily without the regime. This recognition was best expressed by Yi U-chae, who was chosen as one of the two key figures in preparing for the setup of the party. Yi declared: "Our planned party is not a party seeking parliamentary presence; rather it is a party to fight against any attempts to perpetuate power." Yi might be exaggerating the case for anti-government struggle but nevertheless he epitomized the spirit and orientation of the envisioned party.

Another important implication of the nascent people's party, in a sense more important than the one just-mentioned, would be the appearance of a political group who expressly pursue a populist ideology which closely resembles that prevailing in some Latin American countries. The promoters of the party have yet to come up with a concrete economic program which they intend to implement when in power. But they made it clear that the main source of their power would be workers, peasants, the urban poor, and the low middle strata independent businessmen and women. They said in a manifesto that the appearance of a people's party would mean a declaration of sovereignty by the masses who have been exploited economically and fettered politically. In this regard, they assailed existing opposition parties who have been unable to protect the interests of the masses because of their tendency toward division and factionalism.

The advent of a populism-oriented political party is in a sense inevitable in a country like Korea which has underwent a rapid industrialization during the past decades. The working class population has dramatically increased during the industrialization process but political representation of their interests has been blocked by the past dictatorial governments. As the need emerged to distinguish between anti-government and anti-regime struggles, and as the latter could not muster much popular support, the thrust of former dissidents had to be directed toward the economic field and toward the protection of the exploited working class.

With this radical view of reality, however, political analysts believe the envisioned party for the masses could not drum up much sympathy from voters. In fact, their potential has been already tested in a series of by-elections.

Moreover, the party's potential is further limited by fissure within the extraparliamentary dissident groups. These groups are presently divided into three lines—those who seek to create the party, another group who pursues unification of all opposition parties, and still another who opposes a direct involvement in established politics at all. This fragmentation casts doubt about the claim of the promoters of the party creation to orthodoxy among the dissident groups and would undermine their mobilizational capability.

It is in this context that political observers tend to give the planned party largely symbolic significance. They view that the party signals the advent of radical leftist politics which would extend to the left the political gamut. In more substantial terms, it would set in motion the process of agglomerating and representing the interests of the lowest stratum of the population but in itself, would not change the scene of the present parliamentary politics.

In passing, it would be worth noting that the main opposition party, PPD, is far from comfortable about the prospect of a party for the masses because it has thus far claimed itself to be the sole representative of the numerous but unorganized members of society.

Former Provincial Governor Arrested for Bribery

SK2406030090 Seoul YONHAP in English 0224 GMT 24 Jun 90

[Text] Seoul, June 24 (OANA-YONHAP)—A former provincial governor and a senior government official were arrested Saturday in a massive anti-corruption probe sweeping South Korean officialdom. The presidential task force formerly arrested Kim Sang-cho, 59, former governor of Kyongsangpuk-to, on charges of taking bribes from companies and junior officials for business favors or promotions. An arrest writ for Kim said he has received 84.1 million won from six of his subordinates and two businessmen since May 1988 when he was appointed to head the provincial government.

Kim, who was relieved of his post in a reshuffle two days ago, was put into Taegu prison after two days of interrogation at a prosecutor's office in the provincial city of Taegu, the home city of President No. Government officials said the arrest of Kim, a friend of President No's, illustrates the president's strong determination to root out corruption. Kim, the first high government official to be arrested since the ongoing corruption probe in officialdom ordered by President No began last month, was also suspected of large-scale real estate speculation. Investigators said a total of 15 government officials and seven businessmen had been questioned on suspicion of involvement in the scandal. Of these, the six officials and two businessmen were booked without being physically detained for allegedly offering bribes to Kim.

Meanwhile, the prosecution arrested Hong Chong-mun, 61, president of the National Federation of Fisheries Cooperatives (NFFC), on charges of buying votes to get elected to the post last April. Hong, a retired marine brigadier general, was accused of doling out 51 million won to 11 of the 73 regional cooperative heads in voting held last April 19. Investigation of Hong was started by a petition that he was elected to the federation presidency through fraud, one prosecutor said. If convicted of violating the federation law, Hong could be sentenced up to two years in prison or fined less than 1 million won. If he draws a prison term or is fined over 300,000 won, his election will be nullified. Hong was the first NFFC head to be elected directly by the federation deputies in many years.

The presidential task force have hinted that punitive steps may come soon against about 20 officials, including a few vice minister-level officials. There are also reports that about 10 lawmakers are being secretly investigated for illicit real estate speculation, influence peddling and other irregularities. The Justice Ministry Saturday banned Kim Ha-kyong, former chief of the state-run office of Korean National Railroads, who was under investigation of the presidential task force on suspicion of bribe-taking, from leaving the country.

Former National Railroad Official Arrested

SK2606034390 Seoul YONHAP in English 0223 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP) - The prosecution will seek an arrest warrant Tuesday afternoon for a former head of the national railroad on charges of taking bribes. Kim Ha-kyong, 58, was taken in for questioning by the prosecution Monday afternoon as a government-propelled anti-corruption probe swept through South Korean officialdom.

Kim, who resigned as administrator of the Korean National Railroad [KNR] under a cloud last week, is suspected of taking bribes of some 40 million won and giving favors to ranking government officials in letting out space in a department store under construction at Yongdungpo railway station, the prosecution said.

Kim's wife and five or six officials of the Lotte Construction Co. Who are directly or indirectly involved were also questioned. Lawmakers were among recipients of the favors, a prosecutor said.

Administrator of the state-run KNR since December 1988, Kim stepped down last week following the arrest of a former governor and a senior government official on charges of taking bribes from firms or junior officials seeking business favors or promotions. The governor is also suspected of real estate speculation. The arrests and corruption probe follow the establishment of a presidential task force for social purification last month.

Meanwhile, President No Tae-u directed Monday that the task force should press ahead with its activities without any retreat. In a meeting with his senior secretaries at the presidential office of Chongwadae, No said, "On this occasion, wrongdoings and irregularities of government officials should be eliminated to create a clean social climate."

Another presidential task force, investigating real estate speculation by high-ranking public officials and social leaders, will release a list of 100 real estate speculators late this week or early next week.

PPD Wants Broadcasting Plan Dropped

SK2606035190 Seoul YONHAP in English 0300 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP)—The opposition Party for Peace and Democracy (PPD) will ask the government drop its broadcasting restructuring plan, the party's broadcasting committee chairman said Tuesday. Rep. Chong Tae-chol said the plan was designed to strengthen government control over broadcasting, and particularly unions. The PPD is run by Kim Tae-chung.

The Government announced a restructuring plan June 14 that would allow establishment of a private broadcasting company and give more power to the Korea Broadcasting Commission.

The announcement drew howls of complaint from union members at the nation's two largest networks—Korea Broadcasting System (KBS) and Munhwa Broadcasting Co. (MBC). They said restructuring was part of a government plot to control broadcasting.

New Vice Army Chief of Staff Appointed

SK2406025290 Seoul THE KOREA TIMES in English 24 Jun 90 p 2

[Text] The Defense Ministry yesterday appointed Lt. Gen. [Leutenant General] Kim Yon-kak new vice Army chief of staff.

Lt. Gen. Kim will succeed Gen. Yi Mun-sok, who was recently assigned to the post of commanding general of the First Field Army.

The ministry said that it also promoted 12 Army generals yesterday.

Maj. Gen. [Major General] Chang Pyong-yong and another were elevated to the rank of lieutenant general and Brig. Gen. [Brigadier General] Yi Yu-su and nine others to that of two-star general.

Unified Ad Law, Regulations Proposal Announced

SK2606041190 Seoul YONHAP in English 0255 GMT 26 Jun 90

[Text] Seoul, June 26 (YONHAP)—South Korea will enact a law unifying more than 100 advertisement-related laws and regulations this year to cope with the opening of the Korean ad market next year, officials at the information ministry said Tuesday. Ministry officials said the proposed law will replace nearly 140 ad-related laws and regulations currently in force that lack the power to protect consumers and the public interest.

The new measure will also contain articles on the import and copying of foreign-made advertisements and standards on the employment of foreign models.

A recent poll done for the ministry by Korea Gallup Poll found 59.1 percent of 360 advertising people, scholars, consumers and government officials wanted a new law.

A new law is needed to provide reasonable and unified standards and control, 25.7 percent of the people surveyed said. For 13.3 percent, the new law should protect consumers and ban exaggerated claims.

The most serious problem in advertising is excessive exaggeration (20.6 percent), imbalance in the demand and supply of advertisements among different media (10 percent), lack of ad specialists (8.7 percent) and the refusal of newspapers to disclose their subscription rates (7.6 percent).

Television and radio commercials should be screened before being aired by both the broadcasters and the government (53.9 percent).

As for the use of foreign models, 66.4 percent of the people questioned said it should be restricted.

Burma

Moscow Comments on Transfer of Power to NLD

BK2306161190 Moscow in Burmese to Burma 1030 GMT 23 Jun 90

[Station observer commentary: "The Military's Stand After Burma's Elections"]

[Text] The Central Election Commission of the Union of Myanmar [Burma], after receiving election returns from the remote areas of the country, had issued announcements on the results of the 27 May multiparty general elections stating that out of the 485 constituencies, the National League for Democracy [NLD] had won in 396 constituencies.

The announcement by the Central Election Commission has proven true the predictions that the NLD will represent about 80 percent in the new National Assembly. Many observers have noted that the ratio of this majority would made the task of drawing a new constitution for Burma easier. If the new constitution is accepted and approved, observers point out that it could well meet the condition set by the spokesman of the State Law and Order Restoration Council [SLORC] that power will be transferred only when a strong and stable government is established.

Whatever the case may be, it is unclear how this step will be implemented. Many Western observers, especially foreign correspondents, have concluded and pointed out that the many points included in a recent speech delivered by the SLORC chairman appeared to be conditions set by the military leaders to stall for more time for the transitional period for transfer of power. The military government did not agree with the comments presented by Western magazines in recent weeks. It said everything is done according to law and that the elections were held according to the plan for holding elections as announced earlier.

The military government, which is faithfully trying to accomplish Burma's transformation to democratic rule according to their timetable, is at times said to be lacking in flexibility and eagerness. A Soviet expert from Moscow who specializes in Myanmar affairs pointed out to Radio Moscow that he personally feels allegations that the military leadership has dishonest schemes to monopolize power are not true. There is only one way for the Defense Services to redeem their reputation after the results of the 27 May elections; that is to concede and accept the results and to help establish a new Assembly.

The expert also stated that only by doing this could some assurances be received from new parliamentary delegates that they will not demand enquiries on senior military officers involved in the 1988 military's activities and the activities after the military coup d'etat. Some experts in Myanmar affairs pointed out that the military wanted to fade out slowly from the political scene because it will discourage the inclination to throw rocks at the back of a person running away. Perhaps that is the reason why there has been no positive response from the SLORC to the demands made by some NLD leaders to transfer the power as soon as possible.

It has been learned that NLD leaders had decided to ask the SLORC to hold discussions on the transfer of power as soon as possible. U Kyi Maung, one of the central executive committee members of the NLD, explained to reporters that discussions with the military leaders should be held with the thought of national reconciliation in mind. According to news and observations received from diplomatic sources in Yangon [Rangoon], this approach to relations between the winning parties from the elections and the military government is receiving the most support. Most observers pointed out that without the time frame set for beginning discussions to establish new organs of state power, the change from military rule to civilian rule in Myanmar is becoming smoother than was thought last month.

Agriculture Minister on Border Area Resettlement

BK1706130590 Rangoon Domestic Service in Burmese 1330 GMT 16 Jun 90

[Excerpt] Minister for agriculture and forests and for livestock breeding and fisheries, Lieutenant General Chit Swe, who is also chairman of the Manpower Resettlement and Utilization Central Board, and Dr. Myint Thein, the central board secretary, with central board members, held meetings on manpower resettlement and utilization programs in Pa-an in Karen State on 15 June. The meeting was attended by Major General Nyan Lin, commander of the Southeast Military Command; Colonel Saw Lwin, brigade commander of No. 44 Light Infantry Brigade; deputy brigade commanders from the No. 44 and No. 22 Light Infantry brigades; chairman of the Karen State Law and Order Restoration Council; and Colonel Myo Myint, chairman of Karen State Manpower Resettlement and Utilization Board [MRUB], and board members.

A meeting on manpower resettlement and utilization programs was also held today [16 June] in Mawlamyine [Moulmein] in Mon State. It was attended by Major General Nyan Lin, commander of the Southeast Military Command and chairman of Mon State MRUB; Brigadier General Aye Kyaw, brigade commander of No. 66 Light Infantry Brigade, Rear Admiral Tin Aye, commander of Tanintharyi [Tenasserim] Naval Headquarters; Colonel Tin Aye, deputy commander of the Southeast Military Command and Mon State MRUB members.

At both meetings, respective state MRUB chairman and secretary explained and presented matters with regards to explanations by central board chairman Lieutenant General Chit Swe and secretary Dr. Myint Thein. The state board chairman said that they had duly organized and started the search for suitable sites as soon as they had received directives from the central board.

Central board chairman, Lieutenant General Chit Swe, said the MRUB explanatory meeting was held in Hlegu on 14 June. Both the Karen and Mon states, which are listed and included in the state and division MRUB's formed with MRUB central board members, have good prospects and are preferred states to begin with.

The central, state, and division boards were formed with government approval. The people included in these resettlement programs are from insurgent groups which have surrendered to the authorities after regretting their mistakes, villagers who have left their homeland because of threats from insurgents, and destitutes. The privileges they will receive are free seeds, fertilizers, and other agricultural equipment equivalent to 3,000 kyats in value per household. Each household will also receive food for livestock breeding, medicine, livestock, and other related equipment equivalent to 3,000 kyats in value. As a temporary measure, 2,000 kyats worth of goods for food and lodging will be provided for two months. As a long-term measure, manpower resettlement villages will be constructed, and locally available building materials like wood, bamboo, nipa palm, and thatch grass equivalent to 7,000 kyats in value will be given free to each household. Land and water for agriculture and livestock breeding, cultivation technology transfer and distribution of seeds will also be worked out. Capital investment for livestock breeding and other commercial activities will be given by banks.

To begin the resettlement, 13.39 million kyats in funds have been approved for the 1990-91 financial year. Land selected for resettlement must suit regional and local customs. Hilly regions must be selected for those who wish to stay in the hills; for others, a plain with adequate security must be chosen. Since the Karen and Mon states have borders with Thailand, resettlement villages can cultivate highly profitable seasonal and other fruits for export to that country. Logging at border areas can also be carried out. [passage omitted]

Officer Denies Returnees Conscripted or Raped

BK2006020590 Bangkok THE NATION in English 20 Jun 90 p 3

[Text] Mae Sot, Tak—Four Karen women belonging to the group of over 1,000 refugees forcibly sent back to Burma by Thai authorities nearly two weeks ago were raped by Burmese soldiers, border villagers have charged. In addition, some of the Burmese male returnees were pressed into the Burmese army to serve as porters, the villagers said. But a senior Burmese army officer in Myawadi denied the charges saying 766 Burmese returnees were in detention in a school compound in Myawaddy, opposite this northern Thai district.

Maj [Major] Mya Maung Htun, deputy commander of the 97th extension battalion in Myawaddi, said over the weekend the returnees were being held pending investigations to find out if any committed crimes in Burma before fleeing to Thailand. Those found guilty of wrongdoing would be punished. Those cleared would be sent back home, he added.

Thai authorities on June 7 forcibly repatriated over 1,000 Burmese refugees living in Mae Sot. Col [Colonel] Bunlue Simek, deputy commander of the Task Force 34 in Mae Sot, said the action was taken because some of the illegal immigrants were creating crime problems in the area.

The living conditions of others residing in makeshift housing along the Moei River were causing sanitation hazards to neighbouring residents, Bunlue said.

Humanitarian organizations have often criticized repatriation programmes by the Thai government for fear of the safety of the returnees. And Asia Watch, a US-based human rights group, strongly criticized the latest Mae Sot incident and urged the Thai government to halt such deportations and end arbitrary arrests and mistreatment of Burmese refugees.

Border villagers and some returnees, who managed to sneak back into Thailand, claimed that some of the repatriates were conscripted by the Burmese army as porters. They also said that four Karen women were raped by Burmese troops in Thinganyinaung the night they were sent back to Burma. Thinganyinaung is about eight kilometres north of Myawaddy.

A border source quoted a Burmese woman, a friend of the raped Karens, as saying that troops took away the women from detention in Thinganyinaung. One of the four managed to escape to Mae Sot but her whereabouts were not known, said the source, who was trying to locate here. The source said he was told that the three other women were still being held in Thinganyinaung.

About 12 other repatriates, who tried to flee detention, were re-arrested and put in Myawaddy prison, according to villagers. Burmese authorities had to collect food from the villagers to feed them, the villagers added. The villagers said the number of Burmese forcibly repatriated was over 1,000, but many managed to escape upon their arrival in Myawaddy. Up to 60 paid 1,000-1,500 kyat to Burmese authorities for their freedom. Maj Mya Maung Htun confirmed that about 1,000 were deported from Mae Sot but a number had escaped because there were not enough official guards to control them. Currently in detention are about 300 men, 200 women and 225 children, he added.

The Burmese colonel [as published] said all the detainees would receive medical checkups, food and clothing. He denied charges that some of the returnees were conscripted or raped by Burmese soldiers. The Burmese officer said the charges were trumped up to tarnish the reputation of the Burmese army. He also denied that the repatriation was initiated by the Burmese army. He said the programme was the decision of Thai officials.

Cambodia

Phnom Penh Criticizes 'Four-Party Formula'

BK2306034090 Phnom Penh Domestic Service in Cambodian 1300 GMT 22 Jun 90

[Station commentary: "Is It a Twosome or a Foursome?"]

[Text] Today, 22 June, the Coalition Government of Democratic Kampuchea [CGDK], which is known now as the national government of Cambodia, is eight years old. That is, on 22 June 1982 in Kuala Lumpur, Malaysia, under outside pressure, Sihanouk and Son Sann, gritting their teeth, shook hands with criminal Pol Pot to signal the birth of an exiled government.

When this coalition government was formed, some people said that it was a premature baby while others compared it to collecting a tiger, a monkey, and a cobra into a single cage. The main aim of this marriage without an engagement was to create a new face to enable the Pol Pot clique to maintain the Cambodian seat at the United Nations. However, since then, it has become clear to all that there are only two conflicting forces in Cambodia, that is the government of the State of Cambodia which governs the entire territory and the whole population on one side and the CGDK—with Sihanouk as president, Khieu Samphan as vice president, and Son Sann as prime minister—on the other side. This is also proven by the fact that even the United Nations has given only one seat and one vote to this government without territory or a population.

In the past eight years, a number of international reactionary circles have tried hard to foster and maintain this loose coalition in order to check the anti-Pol Pot trend and oppose the rebirth of the Cambodian people. It is regrettable that these circles arrogantly demand that all forums discussing the Cambodian problem must be attended by four Cambodian parties.

We ask: Whom does this CGDK, formed eight years ago by these same circles through their great efforts, represent? If it is really recognized as a government, why must it be represented by a president, vice president, and prime minister?

We accept that this is a tripartite coalition government. Looking at other countries in the world, we can see that there are many coalition governments similar to it. But, at any international conference or official function, no members of other governments have ever scrambled for permission to attend or to sign documents. For this reason, the fact that some circles have demanded a four-party Cambodian formula runs counter to both the concrete principle regarding the Cambodian problem and the universal practice. This is only a scheme to encourage the Pol Pot clique to continue opposing a political solution to the Cambodian problem.

It is still remembered well that all forums which allowed the Cambodian factions to attend in the four-party formula have all ended in a deadlock. This is because Pol Pot and the Khmer Rouge always use their right to veto all documents. On the contrary, the Tokyo meeting was successful because Japan, the host country, and Thailand, the firm supporter, organized it as a two-party meeting. Therefore, if the CGDK sincerely wants to settle the Cambodian problem, it should learn from the experiences gained in the past two years and follow the formula of the Tokyo meeting by clearly holding that there are only two, not four, conflicting parties in Cambodia.

Hun Sen Meets UN Deputy Secretary General

BK1906055590 Phnom Penh SPK in French 0413 GMT 19 Jun 90

[Text] Phnom Penh, 19 Jun (SPK)—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, held talks in Phnom Penh last Saturday [16 June] with Ahmed Rafiuddin, deputy secretary general of the United Nations.

On that occasion, Hun Sen briefed his guest on the results of the recent peace negotiations he held with Prince Norodom Sihanouk in Tokyo. He particularly reaffirmed that the State of Cambodia is ready to participate at a given date in the meeting of the supreme national council and in that of the five permanent members of the UN Security Council, scheduled for next month.

On his part, Ahmed Rafiuddin informed Council of Ministers Chairman Hun Sen of the results of the work conducted by the UN technical teams in Cambodia and of the objective of the forthcoming visit to Cambodia by the UN Development Program "UNDP" to inquire into the needs of the Cambodian people.

The meeting proceeded in a cordial atmosphere permeated with a sense of mutual understanding. Those present were, among others, Sok An and Long Visalo, Cambodian deputy ministers of foreign affairs.

Ahmed Rafiuddin left Phnom Penh on Monday [18 June] at the end of his two-day working visit to Cambodia.

During his stay, he visited the Tonle Bati Temples in Takeo Province and the Angkor Wat Temples in Siem Reap-Oddar Meanchey Province.

Hun Sen Receives New Cuban Ambassador

BK2106122990 Phnom Penh SPK in English 1104 GMT 21 Jun 90

[Text] Phnom Penh SPK June 21—Hun Sen, chairman of the Council of Ministers and minister for Foreign Affairs of the State of Cambodia, received in Phnom

Penh Tuesday Ms. Livone Suarez Roche, new extraordinary and plenipotentiary ambassador of the Republic of Cuba to Cambodia.

Chairman Hun Sen welcomed the new Cuban ambassador's mission in Cambodia, describing it as an active contribution to a further consolidation and development of the solidarity, friendship and cooperation between the two countries.

He thanked the party, government and people of Cuba for their material assistance and moral support to the Cambodian people's national construction and defence.

Chairman Hun Sen informed the Cuban diplomat of the current situation in Cambodia, especially the military and diplomtic situation.

In reply, Ambassador Livone Suarez Roche thanked the Cambodian leader for the information and reiterated her country's support for the Cambodian people's just struggle.

Phnom Penh Reports 17-19 Jun Battle Activities

BK2106144390 Phnom Penh Domestic Service in Cambodian 1300 GMT 21 Jun 90

[Text] According to reports from the battlefields, recently our Cambodian People's Armed Forces [CPAF] on the battlefront together with the local people, militiamen, and authorities jointly launched operations against the enemies, inflicting serious defeats on them.

In Kompong Thom Province, between 17 and 19 June, our combined forces killed 81 enemies on the battlefield and wounded many others.

In Battambang Province, the Armed Forces of the regular units in cooperation with the regional forces in the province launched an operation against the enemies at Boeng Ampil, killing 15 and wounding 20 others. All these enemies were Pol Pot bandits. We also seized four weapons and destroyed 200 mines and 70 kilograms of TNT explosive powder.

In Siem Reap-Oddar Meanchey Province, on 19 June regiments of Banteay Meanchey and Svay Rieng Provinces jointly launched search-and-destroy operations against the enemies at Kouk Prich and Kouk Prasat in the interior of the province. With the support fire by BM-14 artillery, our Armed Forces killed 15 enemies on the spot and wounded 50 others.

In Nimit [Battambang Province], we fired BM-21 shells into an area 10 km north of this locality. As a result, 70 enemies were killed.

The victories won repeatedly by our CPAF have weakened the three enemy groups in terms of manpower, materials, and morale. As for our forces, they are pushing forward in order to drive all the enemies from our territory and firmly defend our motherland and the achievements of our society.

3d Military Region's 1989-90 Dry Season Actions

BK2206075890 Phnom Penh Domestic Service in Cambodian 1300 GMT 20 Jun 90

[Excerpt] During the years after liberation, the 3d Military Region cooperated with the Vietnamese volunteer troops in conducting many successful military campaigns, causing repeated setbacks to the enemy and successfully ensuring order and security for the people in the southwestern region of the country. After the complete withdrawal of the Vietnamese volunteer troops, the 3d Military Region built and strengthened its own fighting forces and took control of its own defense mission. Compared to the successes won during the 1988-89 dry season, those won during the 1989-90 dry season with our forces assuming their own defense task were quite remarkable.

As a matter of fact, we put out of action 1,013 enemy soldiers or 797 more, killed 415 or 295 more, captured 94 or 33 more, flushed out 399 hidden enemy elements or 61 more, and persuaded 1,022 enemy soldiers to surrender or 18 more than during the 1988-89 dry season. [passage omitted]

VOK Interviews Son Sann on Future Peace Talks

BK2306123190 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 23 Jun 90

[Station correspondent's interview with Son Sann, president of the Khmer People's National Liberation Front and prime minister of the Cambodian coalition government; place and date not given—recorded]

[Text] [Correspondent] I am a representative of the Voice of the Khmer [VOK] radio. Greetings to His Excellency Son Sann, president of the Khmer People's National Liberation Front [KPNLF] and prime minister of the Cambodian coalition government.

Today, please allow me to ask you some questions on the search for a solution to the Cambodian problem. There have been quite a few developments on this issue. First of all, I would like to ask this question: On establishing a supreme national council [SNC] in accordance with the agreement in Tokyo, does your excellency president think it is possible to set up this SNC?

[Son Sann] In my view, as I have already informed the clergy and all compatriots, the few points with which I agreed in Tokyo were good in essence. However, there was injustice on some points, as I have already clearly said. For example, making Hun Sen, prime minister of a regime not recognized by the United Nations, equal to Samdech Norodom Sihanouk, who is head of the State of Cambodia and leader of the Cambodian national resistance, is improper and unjust. Another injustice is the number of members in the SNC: six for the Phnom Penh side and another six to be shared by the tripartite group—the Samdech Norodom Sihanouk side, the Khmer Rouge, and our KPNLF side. This is not just.

Despite all this, I consented because the points are good in essence. What do we want? We should bear in mind our goal, which is to restore peace quickly to benefit our compatriots. This is the main thing. Therefore, I agreed with the essence of the Tokyo agreement. However, if there are other things, we should consider them as well.

Concerning the SNC which was agreed upon in Tokyo, whether it is just or not, we should go along with it. I have already stated that I want peace quickly for Cambodia through whatever stages or steps; I am willing to agree, even to one or two steps, as long as we can reach peace for our compatriots who have been waiting for many years.

[Correspondent] Thank you, Your Excellency President. In a recent KPNLF statement that I read, I saw that on the KPNLF side you have nominated only two personalities to participate in the proposed SNC while Samdech Norodom Sihanouk's front, the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, has selected three personalities. Can your excellency president elaborate on this? Why did you nominate only two personalities, and not three like the samdech's side?

[Son Sann] It is true that the Khmer Rouge side was also present in Tokyo but refused to take part in the meeting and to sign the document and accept it as valid. Thus, Samdech Norodom Sihanouk reasoned that, according to the Tokyo agreement, the Phnom Penh side will send six delegates. On the tripartite side, now that the Khmer Rouge has refused to take part, only two groups remain: the samdech group and the KPNLF. Thus, each side should have three representatives. This is correct as far as the Tokyo agreement is concerned, but it is unjust. What do we want? Peace? If so, there should be an agreement among all Cambodians. So, I decided to nominate only two for the time being, just in case the Khmer Rouge changed its mind after returning from Tokyo. They might have thought this over and found that it is good to be part of this national reconciliation. If this is so, there is one place left for them. I nominated only two for now and left one for the Khmer Rouge; I have not rejected them. If they want to come in, we will nominate only two representatives; if they do not, there is nothing wrong with our naming another delegate. Three parties have agreed to be part of the SNC; it is not good if another party is left out.

I would like to inform the clergy and compatriots that this SNC is the symbol of national unity and Cambodia's sovereignty. If only two or three parties are represented, it cannot be a symbol of national unity. Therefore, if we do not have this symbolic SNC, we cannot invite the United Nations to assist us and supervise the withdrawal of all Vietnamese forces to free Cambodia and assist us in organizing proper elections. If unity is lacking among the four parties—symbol of national unity and national sovereignty—it is not certain whether the United Nations will agree to come. We do need this organization. Therefore, if we want peace in our country, we should get the United Nations to come and help us in organizing free elections. The United Nations will supervise and control the withdrawal of all Vietnamese troops and the disarming of Cambodian forces, maintain peace, and organize just elections in a neutral atmosphere. Without proper elections, we would not have peace. Thus, if we really want peace, we should do things justly.

This is why I have nominated only two delegates and left one place for the Khmer Rouge, just in case they realize their duty to take part in national reconciliation. In this case, the place is there for them; they should even be invited to come. Suppose the Cambodian national government were to meet, and the Khmer Rouge still say no and refuse to participate; then we will nominate another member. There is nothing wrong with this. We go along with the SNC as agreed upon in Tokyo. There is nothing wrong if we nominate two or three delegates. We have already agreed on this.

[Correspondent] So, in my view, the KPNLF is not the obstacle to the establishment of the SNC in accordance with the Tokyo decision. Furthermore, I have learned that your excellency president has presented a new proposal. Can you elaborate on this? What are the new points in your proposal to contribute to get peace quickly for Cambodia and the Cambodian people?

[Son Sann] I have already answered the question on the SNC. We have already agreed in Tokyo to move forward, even by a small step, in the search for peace. This has now been achieved; there is no reneging on this. This should be clear.

Now I realize that soon we will meet—the SNC meeting. Next month, probably on the 9th or 10th, the five superpowers will meet in Paris. They want to meet with the four Cambodian parties to discuss and find out if it is possible to move forward. I constantly think of the quick steps to move toward peace for our Cambodian compatriots. Take the meeting in Tokyo, for example, when we did not reach an agreement among ourselves; one side agreed, and the other did not. There was no Cambodian unity. Without this unity, the five superpowers, which are ready to help us, might say Cambodians are still divided and decide not help us anymore. This would be a great loss for us.

This is why I have proposed a technical meeting so we can clearly discuss the issue again. All four Cambodian parties will be asked to unite and discuss these issues again: the SNC, the election process, and the real objectives. The cease-fire issue will also be discussed. We have only talked about the cease-fire. When the SNC meet, we should stop fighting. How should this be done? Will this be a general cease-fire or what? Where should combatants be rallied and stationed? How should they be disarmed? All this should be agreed upon among the four parties. In Tokyo, there were only three parties.

Now I want four parties to take part in this technical meeting. We will also discuss the UN role since we have asked that the United Nations assist in administering

Cambodia during the preparations for elections. This organization will be asked to supervise the withdrawal of all Vietnamese troops from Cambodia. We will also ask the United Nations to assist us in disarming all the forces of the four Cambodian groups and maintaining peace for us during the elections. Furthermore, we will ask the United Nations to assist us, the four Cambodian parties, in organizing proper general elections.

There was another good thing to be commended in Tokyo. For years, I have appealed for a peace zone around Angkor Wat in Siem Reap. There should not be any troops in an area within a 50-km radius around Angkor; only scholars would be allowed there to assist in preserving our soul, the Angkor Wat temple, Angkor Thom, and others. Now Tokyo also agreed with this. We should set up a technical committee prior to meeting with the five superpowers to know what we would like to ask for in Angkor. The four parties should discuss this. This is not political but technical. We should reach an agreement among ourselves before the meeting with the five superpowers. Once all of us have agreed among ourselves, we will get 60 if not 100 percent assistance. The five superpowers might say that Cambodians are now prepared to agree among themselves, thus we should continue helping them. However, if we continue to be divided—some wanting to attend, some not—and if cannot agree among ourselves, the five superpowers might no longer want to have anything to do with us. In this case, our compatriots and people would perish. I think only of the people. Others can say and do what they want. I serve the people.

[Correspondent] Thank you, Your Excellency President. Concerning your proposal on setting up this technical committee, as you have explained to our compatriot listeners, can you specify whether this proposal is a condition for the establishment of the SNC?

[Son Sann] This is for the meeting with the five superpowers which plan to meet in Paris on the 9th or 10th next month, probably the 9th. They will ask us how we want them to assist us. If one of us says one thing and another says something different, the superpowers will not know how to help. Thus, I have begged everyone, and our front has appealed to the Cambodian national government, the Hun Sen side, and our friends who have helped us in Tokyo—as you know, they were Thailand, Japan, the United States, and so on—to help us quickly convene a meeting so we can go to Paris on time to meet the five superpowers. I hope that people will understand this and will decide accordingly. Thailand would be a good place to hold this meeting. If this is not possible, and at the suggestion of some of us, Paris will do, because soon there will be the meeting of the five superpowers there.

In my view, Thailand started the meeting in Tokyo, and it is prepared to help us. Chatchai has just met with President George Bush in Washington; the two personalities have promised to continue helping Cambodia. Thus, I hope that Thailand will allow representatives of the four Cambodian parties to hold this technical meeting in Bangkok quickly to examine the above remaining issues and make as much progress as possible. I do not hope for 100 percent progress, though that would have been very good. With 60 or 70 percent progress to take to Paris for the meeting with the five superpowers, the latter would probably have sympathy for us and help us at a another meeting, the international conference in Paris, which has been planned. The cochairmen, Roland Dumas and Alatas, have already stated that they would convene the meeting to finish off the Cambodian problem. However, they have asked for a guarantee of some success, unlike the previous meeting when nothing much was achieved.

It is in this sense that I would like the meeting with the five superpowers to make a major step forward with these countries' acting as referees to help us decide. Once we agree among ourselves beforehand, we can take part in the international conference in Paris along with the five superpowers, the six ASEAN countries, Australia, Canada, Vietnam, India, Zimbabwe, and others—countries which have been helping us. These countries will help us. If we make 60 or 70 percent progress at the meeting with the five superpowers we will achieve 100 percent in Paris and have peace. This is all I wish for.

[Correspondent] On behalf of compatriot VOK listeners, I would like to thank His Excellency Son Sann, KPNLF president and prime minister of the Cambodian national government, who has allowed me to conduct this interview for the benefit of our compatriots and listeners.

MiG-21 Reportedly Used in Kompong Thom Attack

BK2606022790 Bangkok BANGKOK POST in English 26 Jun 90 p 5

[Text] A MiG-21 fighter bomber attacked US-backed Cambodian resistance forces at the weekend in the government's first reported combat use of its Soviet-supplied airpower, the resistance reported yesterday [25 June]. "In a desperate act, the enemies had to resort to their last weapon: An enemy jet fighter MiG-21 (which) dropped one bomb," the National Army of Independent Cambodia said in a report carried by UPI.

The report by the group loyal to former Cambodian monarch Prince Norodom Sihanouk said the attack came Friday [22 June] morning on guerrilla forces at Stoung district town in Kompong Thom province, 160 km north of Phnom Penh. No casualties were reported from the bombing at the town which the report said was captured by the resistance on June 4. It was the first time in the 11-year-old conflict that the use of the MiG-21 fighters supplied to Cambodia by the Soviet Union has been reported.

The government has said it has two squadrons of MiGs which returned to Cambodia after pilot training in Vietnam last year. Resistance officers have said they did not think the jets would be an important factor in the largely guerrilla war because the pilots were ill-trained and the resistance generally operates in small units difficult for the jets to detect and attack.

Resistance Said To Occupy Stretch of Route 3

BK2206074590 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 21 Jun 90

[Text] On the night of 16 June, our national resistance forces launched a three-pronged attack to rout and occupy Vietnamese-puppet positions along National Route 3 in Chhuk Khang Cheung District of Kampot battlefield.

The first prong was directed against the battalion position and the office building of Lbaeuk Commune located in Lbaeuk Monastery. The second was mounted against the two company positions at Trapeang Kuy and Trapeang Thmar and the office building of Trapeang Bei Commune located in Kouy Monastery. The third prong was unleashed against a battalion position at a tractor garage.

After a two-hour gun battle, we completely occupied the positions in the three prongs, killed 15 and wounded 25 Vietnamese enemy soldiers, and captured three others. We destroyed 11 assorted guns and seized one DK-82 gun, two 60-mm mortars, five RPM guns, a B-40 rocket launcher, 14 AK's, 17 SKS's, a vehicle, and a quantity of assorted ammunition and war materiel.

On the morning of 17 June, the Vietnamese enemies and puppets mustered two companies from the Chhuk district seat in an attempt to retake the positions from us. However, after shortly sallying out, they were ambushed and forced to beat a hasty retreat. We seized some ammunition.

On the morning of 18 June, our national resistance forces continued their sweeping operations with a two-pronged attack against the enemy positions on National Route 3 between Phnum Dach and Traeung. The first prong was directed against a battalion position at Traeung and the second against a company position and the office building of Ang Romeas Thmei Commune at Thnal Bat.

After fighting for 30 minutes, we completely liberated the positions and killed five and wounded 10 Vietnamese soldiers. We destroyed two jeeps, a tricycle, and a rice husking machine and seized four AK's, a 60-mm mortar, two B-40 rocket launchers, an RPM gun, an SKC rifle, and a quantity of assorted ammunition and war materiel. We liberated Lbeuk, Trapeang Bei, and Ang Romeas Thmei Communes and the following 15 villages: Po Dos, Kaoh Russei, Damnak Snuol, Sre Chreou, Tuol, Trapeang Kong, Krang Banteay, Trapeang Thmar, Trapeang Koki, Trapeang Bei, Trapeang Lbaeuk, Damnak Ampel, Trapeang Rumduol, Boeng, and Trapeang Reang. We freed 140 village and commune officials and occupied a 12 km-stretch of National Route 3 between Thvea and Traeung.

17 Jun Attacks on 'Intervention Forces' Reported

BK2206054890 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 21 Jun 90

["Special Report on Attack and Destruction of Vietnamese-Puppet Positions and Intervention Troops in Various Areas"]

[Text] Along with the 17 June attack and liberation of Kompong Thom town, on the same day, we attacked and destroyed enemy intervention forces sent in from various areas as well as troops stationed permanently at nine positions from Thnal Bambek to Sanko, including a division, a regiment, two battalions, and five company positions. These positions were located at Sanko seat, Russei Dos monastery, Thnal Bambek junction, Prey Pras bridge, and Bankung, Ta Ream, Prey Pongroes, Prasat, and Trapeang Russei villages. We killed 37 and wounded 55 enemy soldiers; destroyed two vehicles, 30 barracks, and some war materiel; and seized 36 assorted firearms, including two 60-mm mortars, two B-40 rocket launchers, 32 AK's, and a quantity of war materiel.

Indonesia

Official Urges Taiwan's Help for Economic Growth

BK2006131290 Jakarta ANTARA in English 0932 GMT 20 Jun 90

[Text] Jakarta, Jun 20 (ANTARA)—Taiwan, which currently has a foreign exchange reserve of about 80 billion U.S. dollars, is expected to transfer part of the fund to Indonesia to help the country's economic growth, an Indonesian prominent businessman has stated here.

Speaking at a dinner in honour of visiting Taiwanese members of parliament here on Tuesday [19 June] evening, Probosutejo, chairman of the National Council of Private Enterprises (DPSN), said that Taiwan has a lot of "idle" funds which could be invested abroad, including Indonesia. If ten billion U.S. dollars were invested in Indonesia, he said, such a lot of money would be very meaningful for the country's economic development, because a large investment would give more job opportunities for the people. He also said that Indonesia has abundant natural resources and the country needs more funds to exploit the resources, while Taiwan has a lot of funds and expertise which are able to help Indonesia to exploit its natural resources.

He reminded that although Indonesia and Taiwan have no diplomatic relations, such a condition should not hamper the two countries to strengthen the existing cooperation between Jakarta and Taipei.

The Taiwanese parliamentary delegation, led by Min-Huo Huang and Y.C.D. Lee, are here for several days' goodwill mission.

While here, they have met with several Indonesian ranking officials.

Air Force Chief Offers Use of Field to Malaysia

BK2206042690 Jakarta SUARA PEMBARUAN in Indonesian 14 Jun 89 p 3

[Text] Kuala Lumpur, 14 June—The Royal Malaysian Air Force is studying Indonesia's offer to use the sophisticated air-firing field at Siabu in Riau Province. This was disclosed by Malaysian Deputy Defense Minister Abang Abu Bakar Mustapha on Wednesday [13 June].

Air Force Chief of Staff Air Marshall Sibun made the offer in Kuala Lumpur Wednesday when he met with Abang Abu Bakar, who said the offer was made in the spirit of close cooperation between the two countries' air forces.

The fire-testing field for tactical air weapons, which was commissioned in March last year, was jointly built by Indonesia and Singapore. The latter will also use it because the island republic has no space to conduct exercises for its Air Force.

Laos

Cambodian Issue After Tokyo Meeting Analyzed

BK2206055190 Vientiane Domestic Service in Lao 0000 GMT 21 Jun 90

[PASASON feature, date not given: "Cambodian Issue After Tokyo Meeting"]

[Text] Respected listeners, following the Hun Sen-Sihanouk meeting in Tokyo, a further coordination in making efforts to settle the Cambodia problem through a peaceful means has continued. The two sides—Hun Sen and Prince Sihanouk—have submitted to each other lists of names of their candidates to government, and it is expected that the first session of the supreme national council will be held in July.

Recently, Dit Munti, member of the Kampuchean People's Revolutionary Party [KPRP] Central Committee, first deputy minister of foreign affairs, and special envoy of the Political Bureau of the KPRP Central Committee, made a trip to Laos to brief the Lao side on the Cambodian situation. He informed Phoun Sipaseut, member of the Political Bureau of the Lao People's Revolutionary Party [LPRP] Central Committee, vice chairman of the Council of Ministers, and minister of foreign affairs, as representative of the Political Bureau of the LPRP Central Committee, of the outcome of the meeting between Hun Sen, chairman of the Council of Ministers of the State of Cambodia, and Prince Norodom Sihanouk in Tokyo in early June. He said: The Government of the State of Cambodia has assessed that the meeting proceeded in a constructive manner and that it served as a new, significant step on the path of seeking ways and means to end the disputes in Cambodia. On this occasion, Phoun Sipaseut hailed the achievements of the Tokyo meeting and expressed full support for the good intentions of the Government of the State of Cambodia which has persistently made efforts to seek ways and means to put an end to the war in Cambodia at an early date.

Regarding this, French Foreign Affairs Minister Roland Dumas has said: The Tokyo meeting is considered a step toward the achievement of peace in Cambodia. He continued: the French Government is ready to participate in the talks on the Cambodia issue. The Soviet Union, Indonesia, the United States, Thailand, and other countries have all considered the Tokyo meeting as an important step leading to the peaceful settlement of the Cambodian problem.

In a news conference following his return from the U.S. visit, Thai Prime Minister Chatchai Chunhawan also said: The Tokyo meeting has come out with success as expected. This can be seen through the signing of a cease-fire agreement and the furtherance of coordination in setting up the supreme council. He added that the U.S. President has also welcomed the outcome of the meeting. This will certainly serve as a favorable basis for the next meeting to be held in France next month.

In fact, to settle the Cambodian problem, it needs time, because it is a delicate issue. The supreme council session must be held first; free elections must then be organized under UN supervision. Whether or not this issue will be realized and how soon or how difficultly or easily the Cambodian problem will be settled, it depends on the Cambodian resistance factions, in particular the Khmer Rouge or the Pol Pot group, which has all along obstructed the settlement of the problem.

First Nationwide Financial Conference Opens

BK2106141190 Vientiane Domestic Service in Lao 0500 GMT 20 Jun 90

[Text] The first nationwide financial conference was officially opened at the main auditorium of the Council of Ministers in Vientiane capital this morning. Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [LPRP] Central Committee and chairman of the Council of Ministers, presided over the opening ceremony, which was attended by Comrade Nouhak Phoumsavan, member of the party Central Committee Political Bureau and chairman of the Supreme People's Assembly [SPA]; Comrade Phoumi Vongvichit, member of the LPRP Central Committee Political Bureau, acting president of the republic, and chairman of the Lao Front for National Construction; and more than 300 others including members of the party Central Committee Political Bureau and Secretariat and party Central Committee, ministers, deputy ministers, chairmen of provincial administrations, heads of state enterprises, and finance cadres from all parts of the country.

Comrade Maisouk Saisompheng, member of the party Central Committee and head of the Office of the Council of Ministers, addressed the official opening of the conference. He said:

[Begin Maisouk recording] The first nationwide financial conference is officially opened today as the entire party, Armed Forces, and people are working to further implement the resolutions of the fourth party congress and fifth, sixth, seventh, eighth, and ninth resolutions adopted by the fourth party Central Committee; energetically turning to the grass roots, rural areas, and mountainous regions; striving to increase the production of this year's monsoon rice; and emulating to score new achievements to welcome the four major historic events including the 15th founding anniversary of our republic on 2 December.

Today we are extremely elated to have beloved Comrade General Secretary Kaysone Phomvihan, chairman of the Council of Ministers, preside over this meeting. [applause] We are elated to welcome to this meeting members of the party Central Committee Political Bureau and Secretariat, the acting president of the republic, the chairman of the SPA, vice chairmen of the Council of Ministers, members of the SPA, members of the party Central Committee, ministers, and representatives of mass organizations. [applause] We welcome ministers; secretaries of the provincial party committees; chairmen of administrations of provinces and Vientiane municipality; deputy ministers; cadres in charge of economy, planning, and finance; experts from various branches; foreign specialists; and ladies and gentlemen.

The opening of our first nationwide financial conference today is remarkably meaningful because it will usher in a new era of our restructuring policy and clearly define our new financial policy, concepts, and mechanisms and a more practical process of organizing the implementation of our financial policy. When we talk about finance, we are talking about the rights and interests of the entire population, all party and state apparatuses, mass organizations, as well as cadres, soldiers, policemen, and the people of all ethnic tribes and strata, since everyone has to use money.

The conference will review financial management during the lengthy period under the state-subsidizing system and examine accomplishments and shortcomings of the finance sector over the past 15 years. Hence, we will be able to adopt the new financial lines, concepts, and mechanism. Moreover, this year is the last year of the second state plan, so we will make a unanimous decision on the direction and preparations for the third state five-year development plan to be implemented from 1991 to 1995. During this conference, we will thoroughly examine the performance of each financial agency and locality; correctly evaluate the achievements scored by the financial sector over the past 15 years; and assess the current economic and financial situation and remaining problems so as to find effective measures to open the way for socioeconomic development with new mechanisms.

We will hear and hold discussions on the lecture to be given by Comrade General Secretary Kaysone Phomvihan, chairman of the Council of Ministers, and the report on financial management in the past 15 years. This report will be presented by Comrade Sali Vongkhamsao, member of the party Central Committee, vice chairman of the Council of Ministers, and minister of economy, planning, and finance. We will also consider and unanimously endorse a number of draft documents, laws, and decrees on finance and budget to be submitted to the SPA or the Council of Ministers for approval and promulgation. This will facilitate the movements of our economic and financial management mechanisms, both large- and small-scale, and their coordination in serving the plans for national defense and gradual improvement of the multiethnic people's livelihood.

During this conference, we will discuss the causes of our shortcomings in economic and financial work, the direction of each province, and the implementation of the party plans and policies and state laws and regulations.

This conference will last 10 days, from 20 to 30 June 1990. Today, 20 June, the conference will hear a lecture given by Comrade General Secretary Kaysone Phomvihan, chairman of the Council of Ministers. The report on financial work during the past 15 years will be heard on 21 June. Group study will be conducted from 22 to 24 June. From 25 June to the morning session of 29 June, each province presents reports to the conference, and party and state leaders contribute their views in the form of panel discussions. On the afternoons of 29 and 30 June, participants will hear the report on the outcome of the conference, before the comrade general secretary and chairman of the Council of Ministers closes the conference.

I hereby declare the official opening of the first nationwide financial conference. [applause] [end recording]

Kaysone Phomvihan Speaks

BK2206101690 Vientiane KPL in English 0917 GMT 22 Jun 90

[Text] Vientiane, June 22 (KPL)—Mr. Kaysone Phomvihan, general secretary of the People's Revolutionary Party Central Committee, chairman of the Council of Ministers of the Lao PDR [People's Democratic Republic], addressed a nationwide conference on finance held here on June 20.

In his address, Kaysone Phomvihan made an assessment on financial activities over the past 15 years, noting that the activities were aimed at achieving the goal of the overall socioeconomic development in the country without upsetting the masses' interests.

In this connection, he underlined some of basic elements of the national financial polcy, which is being pursued on the basis of the new thinking and its content and scope in keeping with the real conditions of the country.

Sali Vongkhamsao Reports

BK2506103690 Vientiane KPL in English 0912 GMT 25 Jun 90

[Text] Vientiane, June 25 (KPL)—Mr. Sali Vongkhamsao, vice-chairman of the Council of Ministers, minister of economy, planning and finance, in his report to the on-going nationwide conference on finance gave remarks on financial management and investment by the state over the past 15 years.

During the period, the minister said, the government has made considerable investments for different state enterprises. To date, there are in the country 700 state and mixed enterprises, of which 113 are under the central management, 357 under the Vientiane Prefecture's management and 200 under other provinces'.

Sali Vongkhamsao noted the investment in these enterprises had proved low efficiency since, prior to 1986, the state-subsidised mechanism was in use. However, he reiterated, despite the introduction of autonomy in business operation across the country since 1986, most of the enterprises still have no effective business operation with low labour productivity, no benefits and no ability to meet financial duties toward the state budget.

The minister attributed these setbacks to poor conditions of factories, lack of equipment, capital, technology, raw materials, in addition to an inaccuracy in management procedures and control system.

To overcome such a situation, the minister pointed out, the government has decided that the state enterprises under some ministries and Vientiane Prefecture are transferred to other forms of ownership on an experimental basis. The forms involved leases, joint ventures, and auctions.

Article 29 of Lecture on Draft Constitution

BK2506050990 Vientiane Domestic Service in Lao 0030 GMT 17 Jun 90

[Radio lecture on draft constitution given on 17 June by Chaleun Yiapaoheu, alternate member of the Lao People's Revolutionary Party Central Committee, standing member of the Supreme People's Assembly, and standing member of the Constitution Drafting Committee—recorded]

[Summary] "Today, I will present Articles 29 and 30. Article 29 gives provisions on the fundamental obligations of Lao citizens. It stipulates as follows: All Lao citizens must fulfill their sacred obligations in defending the country and maintaining public security and, with the sense of responsibility, perform military service as prescribed by the law.

"This Article 29 defines two major points of obligation. The first one is the obligation on national defense and public security maintenance, and the second one is the obligation on military service." The reason why it is stipulated in this article that all Lao citizens must perform the obligation of defending the country and maintaining public security is that defending the country and maintaining public security is everyone's duty. It is considered a common responsibility of all Lao citizens. "This duty is one of the most important common duties, because it is considered a strategic duty of our revolution."

Defending the country in this article means that "each ministry and each citizen must together be vigilant against divisive, subversive, and sabotage schemes of the enemies and join in carrying out activities to maintain public security and social order in their respective localities." Each one must help police and soldiers do their tasks. When he sees any bad element carry out any activity aimed at sowing division or creating disturbances, he must promptly report the matter to the local administration so that local authorities can deal with it in a timely manner.

Another obligation is that of military service. This means that all Lao citizens who are 18 years or older must serve in the military by enlisting themselves as obligatory soldiers. "Serving in the military service as obligatory soldiers is also considered a common duty of all Lao citizens, in particular those who are male who reach the age of 18." This service benefits both the nation and the citizens themselves, because once they are enlisted in the service, they will be trained and tempered to achieve a sense of awareness and understanding in the situation and then contribute to defending the country. The obligation on military service is a considerably complicated duty, because it is related to policies in various fields as well as to management organization and the sense of self-mastery and the awareness of our people. By serving as obligatory soldiers, the citizens show their spirit of being owners of the country, their patriotic spirit, and their spirit of cherishing the new system. For this reason, all citizens are asked to heighten their sense of awareness and voluntarily serve as obligatory soldiers as prescribed by the law.

Philippines

Aquino Discounts Full Ties With Taiwan

HK2606035190 Manila PHILIPPINE DAILY GLOBE in English 26 Jun 90 p 7

[By David Jude Sta. Ana and David Borje]

[Text] President Aquino said yesterday that there is no need to have full diplomatic relations with Taiwan and that her government will stick to its one-China policy. "We have given our assurance to the People's Republic of China [PROC] that we recognize only one China," she said. "But we have also made an agreement with the PROC that we will continue to have trade with Taiwan and, in fact, that we are also encouraging very much the matter of Taiwanese investments in the country."

She said that the coming here at Taiwanese investors does not violate the one-China policy. [Sentence as Published]

Beijing officials had repeatedly warned the Philippine government against taking any actions that would violate the policy. Beijing regards Taiwan as a province.

Mrs. Aquino said that contacts with Taiwan will still be restricted to the trade and investments level.

Meanwhile, Sen. Rene Saguisag asked the Senate yesterday to invite Foreign Affairs Secretary Raul Manglapus to a hearing so he could shed light on the country's imminent opening of diplomatic relations with communist North Korea.

Saguisag, chairman of the Senate committee on ethics and privileges, said adequate consultations and utmost discretion should be observed on the issue and that the feelings of the South Korean government, "a good friend and ally," should be taken into account.

Saguisag also warned of repercussions from the "high visibility, high profile" diplomatic jaunt of members of Congress who went to North Korea recently to push the opening of ties between the two countries. "I have nothing against any country or the enterprising congressmen, who are our friends. Still we look to you, Mr. Secretary, to be the lead personality, as head of the foreign service, in framing foreign policy initiatives of far-reaching importance to the nation," Saguisag said in a letter to Manglapus.

Manglapus on Joining UN Spanish-Speaking Bloc

HK2506031590 Manila THE MANILA CHRONICLE in English 25 Jun 90 pp 1, 8

[By staff member Tress Martelino-Reyes]

[Text] Foreign Secretary Raul Manglapus thinks it's important, as a matter of diplomatic policy, for the Philippines to distance itself from the United States and renew its ties with Spain and join the Spanish-speaking bloc in the United Nations.

In a speech on the 92nd anniversary of the Department of Foreign Affairs (DFA) Friday, Manglapus pointed out that, unlike other members of the Association of Southeast Asian Nations (Asean), the Philippines does not belong to any other bloc in the UN. It relies on Asean and its "special relationship" with the U.S., he said.

"What is the bloc that we can rely on? We talk about our special relationship with the U.S., but not everybody in the UN. is in favor of the U.S. when it comes to voting," he said. "Our primordial alliance is Asean but in Asean, there are only six members. That's not a very large bloc to support our votes in the UN."

He explained that Singapore and Malaysia, both Asean members, belong to the British Commonwealth while Indonesia is identified with the Non-Aligned Movement (NAM). The Philippines was accepted to NAM only as an observer. Being host to the U.S. bases, it could not be considered non-aligned.

Former colonies of the French Union and the British Commonwealth accept their former masters "as first among equals" because France and Great Britain are no longer superpowers, Manglapus said. "For us, however, our former master (the U.S.) is not only a superpower so it is not easy to remain in the embrace of a superpower.

The Philippines, he said, had been under Spain for a much longer time—three centuries. "We have another family to belong to. We have to remember it and renew our ties with it."

He said all members of the Philippine foreign service would have to learn Spanish. He said that, after Tagalog and English, Spanish was the country's "most important tool of diplomacy in keeping with our culture and in keeping with the realities in the UN." Spanish is one of the UN's official languages spoken by "very important" countries in the organization, he explained.

Embassy in Kuwait Faces Closure Over Kidnapping

HK2606094990 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 26 Jun 90

[Text] The Philippine Embassy in Kuwait faces the danger of being closed down, while 25,000 Philippine contract workers in the country may be deported, unless the Philippine Government rescues two members of the Kuwaiti royal family who were reportedly abducted by Palestinians in Manila last year.

According to a report from the Philippine Embassy in Kuwait, the Kuwaiti Government has threatened to declare Ambassador Mauyag Tamano and all diplomatic staff in the embassy persona non grata if the Philippine Government fails to help secure the release of the abducted members of its royal family. The kidnap victims were identified as Shaykh Salman al-Sabah, the king's nephew; Shaykh Jabir al-Ahmad; and his 10-year-old son, all of whom were reported missing in the Philippines since July last year. The kidnap victims had come to Manila to consult a faith healer.

Kuwait has no embassy in Manila, while the Philippines has an embassy in Kuwait which looks after thousands of Philippine contract workers. The Philippine Embassy there is under strong pressure and is now facing the threat of its members being declared persona non grata, the embassy being closed down, and all contract workers deported home unless the government acts to rescue the kidnapped members of the Kuwaiti royal family.

The case is now with the National Bureau of Investigations and is being investigated by the authorities.

Aquino Says Mitra Supportive of Kabisig

HK2506091990 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 25 Jun 90

[By Jennifer Postigo and Dick Sinchongco]

[Text] The Struggle of Philippine Democrats [LDP] still has no concrete position on whether to participate in the newly organized Kabisig [Partnership] movement. This was the clarification made by House Speaker Ramon Mitra Jr. in an interview. He added that the LDP was still in a period of consultation and assessment over the new movement. The LDP members are also awaiting for the arrival of their president, Senator Neptali Gonzales, and their secretary general, Representative Jose Cojuangco Jr., before drafting a concrete party stand on the issue.

[Begin Mitra recording in English] I need to talk to my colleagues in the House and other partymates who are not here. The president of the party is not here. The secretary general is just arriving tonight and we need to get together and assess the situation. As far as the House is concerned, the leadership is here. We are talking. We are assessing the situation and we will then be able to make announcements in a few days from now. At this time, I would rather leave the statement I made upon my arrival where it is. I think that I have said everything that I wanted to say. And so, let us talk in the coming days and I will keep you informed of the progress of our arrangements and our meetings with the members of both of the party and of the leadership of our House. [end recording]

Meanwhile, President Aquino is to meet with House Speaker Ramon Mitra Jr. and other members of the Lower House in order to explain to them the objectives of the newly organized Kabisig movement.

At the revived weekly news conference, the president explained that she has spoken to Mitra upon the latter's arrival yesterday.

[Begin recording in English] [Aquino] Yesterday, I spoke with Speaker Mitra on the telephone and he assured me that he is for Kabisig and he is for me. There are some matters that he would like to be clear on and I told him that I will be ready at any time to clarify whatever matters need clarification. And in fact, I have also instructed Secretary De Jesus that I would like to meet also with some of the congressmen so that we can explain Kabisig to them.

[Reporter] Does that mean, ma'am, that you are going to meet with Mitra and the LDP and the other parties in the House?

[Aquino] Well, whoever wants to meet with me with regard to Kabisig, certainly I am very willing to do so. And as I said, I talked not only with Speaker Mitra, but I talked to Mrs. Mitra herself, and she also assured me that Speaker Mitra is certainly very supportive of me and continues to support me. And I suppose in time all of these matters will be clarified and that I feel confident that ...[end recording]

The president reiterated that Kabisig is not a political party, but instead is a political movement. She expressed confidence that Speaker Mitra will understand the objectives of the controversial Kabisig.

It will be recalled that Mitra criticized the establishment of Kabisig, calling it a threat to the country's political system.

Column Lauds Mitra's Opposition to Kabisig

HK2606033390 Manila PHILIPPINES NEWSDAY in English 26 Jun 90 p 10

["Turn of Events" column by Francisco S. Tatad: "Mitra's Rebirth"]

[Text] Speaker Ramon Mitra has paid a high price for being a loyal defender of the realm. He has had to take uncomfortable and indefensible positions when nobody else was left or willing to take them. Those who used to admire his youthful spunk and acumen, and who had entertained high hopes for him, suddenly could not understand why he seemed to persist in defending indefensible positions and saying all the wrong things.

For this he took criticism from every possible source, without complaint. Some of the most colorful epithets written about politicians in the last four years have been, if not about Mrs. Aquino, about him. And many of these came from friends who probably bled as much as, if not more than, he did when writing them. But he had a role to play and he played it according to Hoyle.

Now, after four years of playing that role, he's had his fill. Risking his hold on the House speakership, he has come out against Kabisig [Partnership], the President's political movement. It is a perilous enterprise. In this single throw of the dice, he could lose everything that he has and is today in the ruling coalition. But it is a risk worth taking, and in taking it he earned his political rebirth.

In a well-reasoned statement, Mitra shot down each one of the pretexts which Mrs. Aquino and her close advisers had sought to construct as props for Kabisig. You cannot fault the logic of his statement.

Mrs. Aquino's first pretext is that she needs to mobilize the NGOs (non-governmental organizations) through a political movement "to fast-track" the implementation of projects. We have objected to this as an awful lot of nonsense. We have said that if she could not implement projects as President who is in command of the entire government, what makes her think she would be able to do so as Kabisig high priestess? Will the NGOs provide the missing element of success?

NGOs, Mitra correctly points out, have their own areas of special competence. Government has its own. The very name, NGO, implies that they do not want to be identified with or mistaken for units or agencies of government. The delivery of basic services, the custody of public funds, the building of public works, like the task of providing security to the state, are basic, non-transferrable and non-optional functions of government. A government that says it cannot perform these functions unless it has a Kabisig has no right to exist.

It is a strong statement. But there is no other way of stating the point. The President's insistence on using a political movement to do the work she is unable to do as head of government shows a fatal misunderstanding of her responsibilities.

Order requires that a thing operate or be used according to the purpose for which it was made. You make a chair so you will have something to sit on; a dining table so you will have something to eat on. If you sit on the dining table and eat on the chair, then disorder ensues. Mrs. Aquino insists on something infinitely worse than this disorder when she says she will now govern and implement projects through Kabisig.

The President's and her advisers' complaint is that Congress has failed to legislate. False. The Congress, whatever its faults, has consistently bowed to her wishes. The inventory of bills passed by both houses upon her request shows this. But there is no inventory of action taken by the Executive on its own pet measures after they had been passed by Congress.

For instance, what has the Executive done about the much-ballyhooed Kalakalan [small-medium industry] 20, intended to spur small scale entrepreneurship? The measure was signed into law eight months ago, but until now the implementing rules and regulations have yet to be drawn up by the Executive. What has it done to implement the Cooperatives Law or the Comprehensive Agrarian Reform Law?

Even if Congress has been obstructionist, and it was not, the complaint would still have no basis, for the nation has enough laws, except that the Executive does not have the will or the competence to implement them. With Kabisig around, the President says she will not get all the laws she needs and be able to implement them, without any obstruction from traditional politics. Pure froth.

Yet there is one thing we must worry about. Deprived of funding support from Congress, the president and her new cabal could use foreign funds not monitored by Congress of Kabisig. USAID has already transferred $40 million to Health Secretary Alfredo Bengzon for population control, as part of the agreed compensation package for the U.S. use of Clark and Subic.

Absent any checks, this fund could be taken over by the movement simply by guaranteeing to USAID that henceforth the fertility of Filipino women will be treated as a disease, that every female adult will be ligated, and that no baby will be allowed to be born into any Filipino family without Kabisig's consent.

Senator Views Chances of Aquino Reelection Bid

HK2506031190 Manila PHILIPPINES NEWSDAY in English 25 Jun 90 p 3

[By reporter Jose H. Macaspac III]

[Text] Senator Orlando Mercado yesterday said there is a distinct possibility that President Aquino will again run in the 1992 elections and break her oft-repeated vow not to seek a second term.

"There are many signs that tend to show that she might run," Mercado told NEWSDAY, appearently referring to recent efforts by some Aquino supporters to lay the groundwork for the President's reelection bid.

Mercado was also reacting to a statement made by Jaime Cardinal Sin, Archbishop of Manila, who said that Aquino should run in the coming presidential polls despite a constitutional provision banning an incumbent from running for a second term.

Earlier, Mrs Aquino organized the Kabisig [Partnership], a political movement which is supposed to carry out her administration's programs within the next two years. Despite her claims that Kabisig is not a political party, many of her own political allies charged that it would be used as a launching pad for her future political plans.

In the Senate, Senators Alberto Romulo and Rene Saguisag filed a measure that sought to call "snap" presidential polls, a move also aimed at desynchronizing the 1992 elections through an amendment to the Constitution accomplished when Congress shall have formed itself into a constituent assembly.

Despite the two legislators' fervent insistence that the measure be approved, their colleagues, in a hastily called caucus, flatly turned them down.

But Mercado stressed that the decision to run again solely depends on Mrs Aquino. "We cannot be the judge of that and we should maintain a benign attitude on the issue," he said.

Mercado said, however, that the constitutional prohibition against a second term for Mrs Aquino remains "debatable." "That constitutional matter is not yet resolved," Mercado said, but claimed that political parties, even those which are part of Mrs Aquino's ruling coalition like the Liberal Party (LP), would not be "influenced by her decision to run." He disclosed that the LP, which is headed by President Jovito Salonga, would definitely field its own candidate in the coming polls regardless of Mrs Aquino's decision.

Aquino Urges Patience in Probe of Concepcion

HK2506095790 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 25 Jun 90

[By Tanny Rodriguez]

[Text] Speaking at a news conference, President Corazon Aquino said that Trade Secretary Jose Concepcion Jr.'s continued stay in office was not a question of indispensability of the trade secretary, but that it was appropriate to wait for the results of ongoing investigation into his case.

[Begin Aquino recording in English—in progress] ...question of indispensability, but there is an ongoing investigation, and let us wait for the results of this investigation. In the meantime, Secretary Concepcion had explained to me and had presented to me documents which showed that the shares of his children were being held by him and his wife in trust for them. Apparently, when these shares were given to his children, they were still underage, and so it was necessary for Secretary Concepcion and Mrs. Concepcion to hold these shares in trust for their children. The Senate is continuing to investigate this matter and I want to give Secretary Concepcion the opportunity to defend himself because these are very serious charges. [end recording]

Aquino Estate's Stock Option Plan Said Legal

HK2306063790 Manila THE MANILA CHRONICLE in English 23 Jun 90 pp 10

[By staff member Bert Castro]

[Text] Justice Secretary Franklin Drilon yesterday disputed the claims of the University of the Philippines' (UP) Law Center that the stock distribution scheme of Hacienda Luisita was unconstitutional and violative of the Comprehensive Agrarian Reform Law (Carl)

In his memorandum to President Aquino, Drilon said the stock distribution scheme would only violate the Constitution "if it is contrary to the interests of the farm workers and beneficiaries. The law center's Institute of Government and Law Reform, Drilon said, "failed to explain in what way does the Hacienda's stock distribution do violence to the fundamental law."

He denied the analysis of the center that the stock plan works against the interest of farmers. "The beneficiaries of the program had agreed to the plan." He explained to the President that the plan "was one viable way of diffusing wealth or establishing collective ownership of agricultural assets."

He also disputed the charge of the law center that the failure of the distribution scheme of the Hacienda to provide farm lots to farmers was a violation of the agrarian reform law. He said the interpretation was erroneous because "the requirement applies only to the collective ownership scheme and not to the stock distribution plan as an alternative mode." He did not elaborate.

The distribution of farmlots is not among the conditions imposed by Carl to stock distribution among corporations.

Aquino on Request for Promotion of Lim's Daughter

HK2506093590 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 25 Jun 90

[By Dick Sinchongco from Malacanang Palace—live or recorded]

[Text] President Corazon Aquino explained today that her recommendation for the promotion of General Lim's child conformed with the regulations of the Department of Foreign Affairs [DFA]. She added that her request was not intended to force the promotion of General Lim's child.

[Begin recording] [Aquino] On this matter, I asked Secretary Manglapus during a cabinet meeting if it was possible to help General Lim's child and to promote her, which I would like to see happen. However, we would conform with the regulations of the DFA. And when Secretary Manglapus told me that this was not presently possible, I said that it was okay with me, because if that is the DFA's policy, then we will definitely abide by it. [end recording]

The president made the clarification following newspaper reports about the so-called controversial Dear Raul note from Executive Secretary Catalino Macaraig.

However, in an interview with National Bureau of Investigations Director Alfredo Lim, he said that the recommendation was not intended to force the promotion of his child. He added that his child, who is a member of the Los Angeles Consulate, was qualified for the recommended position. He said that his child, Cynthia Lim Montoya, was a doctor of medicine.

Analysis Views Benefits of Naval Buildup

HK2506032190 Manila THE MANILA CHRONICLE in English 25 Jun 90 pp 1, 6

["Analysis" column by Amando Doronila: "Naval Builup Offers Benefits on Two Fronts"]

[Text] President Aquino's call during the Philippine Navy's 92nd anniversary last weekend for the building of a stronger naval capability may be seen from a short view or a long view, depending upon one's perspective or, better still, capacity for malice. The short view is that it may be interpreted as an attempt by the President to buy the loyalty of the Navy against future coup attempts. The longer view is that the modernization plan for the Navy is a move to wrench out the Philippines from being Asia's basketcase in military, as well as economic, terms.

The short view is, of course very insular, and if the nation were projected a decade hence in relation to its neighbors, especially its partners in the Association of South-East Asian Nations, it becomes clear that it is imperative for the nation to reverse its decline relative to its neighbors and look forward rather than flog itself and continue to stagnate.

To begin with, the 10-year naval modernization plan endorsed by Mrs. Aquino is not designed to give her political benefits because its time frame goes beyond her elected term. It is a plan that has nothing to do with the personalistic relationship in Filipino politics; Mrs. Aquino is merely incidental to the plan. So any informed debate over it must focus on issues about long-term national interests which would be ill-served if the debate would be debased by dragging it into a head bashing encounter—a fate that has befallen the Kabisig [Partnership] movement.

The first point to be emphasized about developing a credible blue water navy within this last decade of the century is that the plan has emerged against the background of the pauperization and isolation of the Philippines in at least regional affairs.

The Philippines is not only the most politically unstable country in Asean; in economic terms, it has posted the slowest economic growth relative to that of its Asean partners over the past eight years. In military terms, it has the weakest navy relative to other Asean countries, except Brunei which is drowning in oil revenue; and for an archipelagic nation, the lack of a credible blue water navy to protect the sovereignty of the Republic and to protect sea resources from poaching as population rises to about 100 million at the end of the decade is an appalling manifestation of tunnel vision.

There are at least three developments in Asia that are deepening the isolation and pauperization of the Philippines: (1) its lagging economic growth behind that of its Asean partners (Thailand, for example, is knocking at the door of being the next (NIC) [Newly Industrialized Country]; (2) the arms buildup—call it a mini arms race, if you wish—in most of South Asia (India), in North-East Asia, and in South-East Asia; and (3) the formation of sub-regional economic blocs, even within Asean, from which the Philippines is excluded.

Thus, the Philippines remains not only the basketcase but also is becoming the orphan of South-East Asia in terms of regional groupings. True, the Philippines is a member of Asean but it is, despite its size, the least influential and least dynamic in foreign policy initiatives launched by Asean to address such questions as a political settlement in Cambodia. As an economic cooperation organization, Asean is a laughing stock. Its individual members carry out more trade with Japan, the United States or Europe than among themselves. The notion of inter-Asean trade promotion is being further undermined by a new scheme in which Indonesia, Malaysia and Singapore are developing a sub-regional trade bloc or "triangle" from which the Philippines is excluded.

On the other hand, Thailand is pushing her own trade with Indo-China, in a diplomatic initiative aimed at making the Indo-China states a zone of peace (as well as a market for Thai products) rather than of perpetual war.

Asean was never meant to be a defense alliance in the model of Nato in Western Europe. What is happening is that without such a regional defense structure, individual members (except the Philippines) has been engaged in nation state arms race similar to the military buildup of the European nation states during the 19th Century and the first half of the 20th Century. The arms race is taking place as the big powers cut back their forces and as China, Japan and India build up their navies.

The reason why the Philippines neglected its responsibility to develop a military capability for external defense, in contrast to its neighbors, is that it entrusted its defense to the security arrangements with the U.S. To be fair to the U.S., it has since 1947, when the military bases agreement was signed, supplied arms and equipment to modernize the armed forces, but the AFP [Armed Forces of the Philippines] has been developed as a counter-insurgency force rather than as an external defense force.

The irony about our security relationship with the U.S. is that while the American military facilities in the Philippines have served as a critical anchor of the strategy of spreading a nuclear umbrella over the Pacific Rim region so that both the developed and underdeveloped nations could use more of their resources for economic development rather than for defense, most of them not only achieved impressive economic growths but also succeeded in building their military might for external defense.

On the other hand, the Philippines, sheltering under the same umbrella, has had a reverse development. It went down the slope economically and sacrificed its external defense capability. The Philippines case is one of slow growth and neglected defense. This is not to argue that the reverse development is the consequence of our security relationship with the U.S. The important role of internal factors and policy in this development will be discussed in the second part of this essay.

This reverse development leads us to examine the issue whether (1) expenditures for external defense are incompatible with rapid economic growth; (2) and whether social welfare and social security expenditures and the relative increase for defense as percentage of the Gross National Product can exist side by side in projecting national sovereignty.

These are the crucial issues on which the modernization plan of the navy must be examined. These perspectives can prevent the issue being trivialized in the same way that Kabisig is being trivialized by superficial issues. The next article will discuss the naval modernization plan from the perspective cited above.

Military Reportedly Suffered High Casualties

HK2506031390 Manila PHILIPPINES NEWSDAY in English 25 Jun 90 p 3

[By reporter Dario B. Agnote]

[Text] From January to May this year, the Constabulary figured in 300 encounters with separatist and communist rebels, losing a total of 185 men and 211 assorted firearms, a report issued by Camp Crame yesterday said.

Camp Crame authorities said the high casualty figure indicated the Constabulary may have lost more men than the rebels. They, however, pointed out the difficulty of giving an accurate casualty figure on the rebel side because the rebels, particularly the New People's Army ()NPA), usually take their slain and wounded comrades with them as they flee.

Of the 300 encounters, 218 were against the NPA and 13 were against the Moro National Liberation Front (MNLF) and other separatist-groups in Mindanao.

The record also showed that 66 of those killed were constables, 79 were Citizens Armed Forces Geographical Unit (Cafgu) members and 49 were policemen.

The encounters resulted in the seizure of 204 high-powered and 152 low-powered rifles from the rebels, the report further said. The PC-INP [Philippine Constabulary-Integrated National Police], on the other hand, lost 161 high-powered and 50 low-powered rifles to the rebels.

The report indicated that the Constabulary suffered more casualties and initiated less major encounters, particularly against the NPAs in the past five months.

These insurgency-related incidents also resulted in the wounding of at least 21 rebels, 96 constables, 30 policemen, and 57 Cafgu members.

The tally-sheet also showed that the communist insurgents committed at least nine "major brutalities" and 82 "minor brutalities" during the same period.

The report also showed that 640 NPA rebels surrendered and 319 others were captured in the same period. The rebels, on the other hand, captured one policeman and two constables.

Defense Secretary Fidel V. Ramos and Armed Forces chief of staff Gen. [General] Renato S. de Villa has repeatedly claimed the military is winning the insurgency war.

De Villa Confirms NDF Counterfeiting Activities

HK2206033990 Manila THE MANILA CHRONICLE in English 22 Jun 90 p 6

[Text] Armed Forces Chief of Staff Gen. [General] Renato S. De Villa yesterday confirmed reports that the clandestine National Democratic Front's (NDF) alleged dollar counterfeiting activities abroad have been uncovered by authorities in Switzerland and in other parts of Europe.

De Villa said he had received "reports" that the NDF tried but failed to deposit the amount of $150,000 in counterfeit money to a bank in Switzerland. Swiss authorities aborted the attempt, he claimed.

"A lot of people as a result were wary about the NDF in Europe," de Villa further claimed. He did not elaborate.

De Villa also said there was no confirmation on alleged Communist Party Chairman Jose Ma. Sison's expulsion. Meanwhile, the militant labor federation Kilusang Mayo Uno (KMU) [1 May Movement] denied being a communist front, saying the accusation was meant to silence progressive groups that have been articulating the sentiment of the people.

The KMU was reacting to a report that it has been used as conduit for foreign aid to Filipino communists and their guerrilla forces. KMU officials dared the government "to come forward, present evidence and charge us in court if we were communists."

Nick Elman, KMU spokesman, said the labor federation is a legitimate organization that has maintained correspondence with the International Labor Organization, Malacanang and other government agencies.

Elman said the accusation, which was first brought up under the Marcos regime, could have been a ploy to malign progressive groups.

'Strategic Victory' Against Insurgency Seen

HK2506093290 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 25 Jun 90

[Text] Brigadier General Lisandro Abadia, AFP [Armed Forces of the Philippines] deputy chief of staff for operations, today said that the military is getting closer to meeting the deadline set by President Aquino on the destruction of the CPP-NPA [Communist Party of the Philippines-New People's Army].

In an interview earlier today, Abadia said that based on case studies presented at the seminar on security and development held at the Social Hall of the Department of National Defense, Operation Dragnet, launched by the military in response to the president's order, has proved very successful. Abadia further said that Operation Dragnet has led to the reduction of the CPP-NPA rebel fronts from 75 at the height of the insurrection to the present level of 56.

However, Abadia admitted that the biggest problem in the counterinsurgency campaign was development of the areas liberated from rebel influence.

[Begin Abadia recording in English—in progress] ...saying that we will dismantle all the rebel fronts. We are saying that we shall have achieved strategic victory by the end of 1991 or early 1992. We will have reduced the insurgency to a level so that peace and progress and development can prosper. [end recording]

NDF Indemnifies Relatives of Massacre Victims

HK2506033390 Manila THE MANILA CHRONICLE in English 25 Jun 90 p 6

[By Carol Arguillas]

[Text] Davao City—The National Democratic Front [NDF] in Southern Mindanao has requested the United Church of Christ in the Philippines [UCCP] to act as a conduit and accept its financial aid to relatives of the victims in the Sitio Rano massacre. This is the first recorded case where the NDF offered to indemnify relatives of their victims.

In a six-paragraph "open letter to the bereaved relatives of Rano," dated June 23 but sent to media here only yesterday, NDF spokesman Ariel Badiang reiterated the group's "deepest apologies and sympathies" for the "accident."

Badiang also said the NDF had administrated "corrective and disciplinary measures" to those who committed the "infraction." He did not elaborate what the measures were.

"Please be assured, too, that the revolutionary movement has not reneged on its commitment to uphold justice," the letter said.

The NDF requested the UCCP to accept the amount and "determine the manner of distribution (to the relatives) whether in kind, cash or service, according to their best judgment, in consultation with (the UCCP)." Rev. Ernesto Frias, UCCP moderator for Southern Mindanao, could not be reached for comment.

The NDF said it hoped that the donated "amount," which it did not specify, will "alleviate in some little way the difficulties of the Rano community, particularly the immediate families of the civilian casualties."

The NDF acknowledged that the massacre, which it called "an accident," was "so grave in its magnitude, it has touched the life of every revolutionary, not only in Southern Mindanao, but throughout the country."

Another Communist Hit Squad Member Arrested

HK2306064190 Manila PHILIPPINE DAILY INQUIRER in English 23 Jun 90 p 7

[Text] Another suspected member of the Alex Boncayao Brigade, the communist urban hit squad, was arrested Thursday night in Cainta, Rizal, by joint forces of the Capital Regional Command [CAPCOM] and the Constabulary Security Group, CAPCOM report said. Arrested was Jose Lleses, alias Ka [Comrade] Joe and Ka Andy, who reportedly operates in northern Metro Manila.

The report said Lleses was arrested at about 9:30 p.m. in his safehouse on Panda and Estrella streets in Barangay San Roque, Cainta. Seized from the suspect were a .38 caliber revolver; two apply-type grenades; subversive documents and sketches of people allegedly targetted for liquidation.

Lt. Col. [Lieutenant Colonel] George Arino, chief of CAPCOM's Northern Sector Command, said the arrest of Lleses came hours after military agents raided a suspected communist hideout in Sta. Quiteria, Kalookan City. Seized from the hideout were cal. [caliber] .45 pistol; ammunitions; three grenades; two pieces of two-way radio transceiver and subversive documents.

Lleses was the 11th suspected member of the hit squad to be arrested by the military during successive operations the past two weeks.

In a related development, Brig. Gen. [Brigadier General] Marino Filart, CAPCOM chief and Metropolitan Police Force director, disclosed that communist insurgency remains the most potent threat to national security.

Slowdown in Agricultural Growth Reported

HK2006023190 Manila PHILIPPINES NEWSDAY in English 20 Jun 90 p 8

[By researcher Alona Marie Dayrit]

[Text] Growth of the agriculture, fishery and forestry sector slowed down during the first quarter of 1990 mainly due to the prolonged drought that has left most of the country's crop lands practically barren, the National Statistical Coordination Board [NSCB] reported.

Latest NSCB data showed that the farm sector's real gross value added [GVA]—a broad measure of its productivity—rose by 2.45 percent to P7.58 billion [pesos] as of end-March this year from P7.40 billion in the same period last year.

The increase, however, paled in comparison to the 2.91 percent growth which the sector reported in end-March 1989 and to the previous quarter's 6.11 percent hike in farm output. This indicates that the value of the farm sector's total output net of the cost of its inputs the first three months of the year, the NSCB said.

The NSCB attributed the sector's sluggish growth to the poor harvest of agricultural crops during the period in review.

Hounded by a severe drought that made farm lands unproductive, coupled with the run-up in cost of farm inputs, the agriculture crops industry saw its GVA at constant 1972 prices shrink by 0.79 percent, from P4.41 billion to P4.37 billion. Unless more rains fall the rest of the year to compensate for the first quarter farm losses, the sector is expected to remain in the doldrums this year, sources forecast.

Hardest hit by the parched planting fields were two of the country's major crops—palay and corn—which experienced sharp real GVA cuts of 10.53 percent and 13.93 percent, respectively.

These declines offset the output gains registered by sugarcane (20.70 percent), banana (3.06 percent), coconut, including copra (2.34 percent), and other crops (2.94 percent).

On the other hand, other farm-based industries seemed unaffected by the slump in agricultural yield, as they turned in substantial hikes in production value during the first quarter.

Gross Value Added in Agriculture, Fishery And Forestry

1st Quarter 1990 and 1989

(In million pesos; at constant 1972 prices)

	1990	1989
Agricultural Crops	4,370	4,405
Palay	1,139	1,273
Corn	346	402
Coconut, including copra	306	299
Sugarcane	519	430
Banana	202	196
Other crops	1,858	1,805
Livestock	683	635
Poultry	1,013	904
Fishery	1,395	1,333
Forestry	117	120
Gross Value Added	7,578	7,397

Source: National Statistical Coordination Board

Reduced Coal Imports Registered in 1st Quarter

HK2206035290 Manila BUSINESS STAR in English 22 Jun 90 p 2

["Indicator" column by Conrade M. Diaz: "RP (Republic of the Philippines) Coal Imports Down 34% 1st Quarter"]

[Text] Reduced consumption by four of the seven sectors dependent on coal as an energy source substantially pared down the country's imports of this mineral product in the first quarter of this year, the Office of Energy Affairs (OEA) reported recently.

Based on latest data acquired from this government office, coal imports dropped by a big 34.4% clip in the first three months of 1990, primarily due to a lower aggregate utilization level for this energy source.

Only 530 thousand barrels of fuel oil equivalent (MBFOE) of coal were acquired from overseas sources during the period, from 808 MBFOE last year. The use of locally-sourced coal, on the other hand, climbed 8.9% to 1,354 MBFOE during the same time frame. But imported coal is still preferred by local users because of its high-grade quality, specially in power generation because of faster combustibility.

Aggregate coal consumption, meanwhile, was recorded at 1,884.3 MBFOE, down by a marginal 8.1% from the comparative year-ago level of 2,051 MBFOE. The reduction came as the power generating sector used up only 787.8 MBFOE of coal from January to March of this year. This was 27.7% lower than last year's consumption rate of 1,089.8 MBFOE for the same three month period. It was also in this sector that the biggest drop in coal use was registered.

According to the OEA, the shutdown of the National Power Corp. (NPC)'s Naga Coal Thermal Plant II in Cebu, with a generating capacity of 55 megawatts (MW), made a significant impact on the country's coal demand.

Besides the Naga II plant, two other coal thermal plants are contributing to the electricity needs of the country: the Calaca I plant in Batangas with a massive 300 MW rated capacity and the 50 MW Naga I plant also in Cebu. With 8.8% of total electricity needs supplied by these power plants at present, the power generation sector ranks as the biggest user of coal among all industries, accounting for 41.8% of total consumption.

Other users which also registered reduced consumption levels were the steel and metal industry, which dropped its utilization rate by 19.8%, or from 14.5 MBFOE to 11.7 MBFOE; mining, 5.9% from 270.8 MBFOE to 254.8 MBFOE; and chemical industry, down by a slight 0.6% from 40.9 MBFOE to 40.6 MBFOE.

Industries which posted increments in their coal use, on the other hand, were the cement, coco-vegetable and fertilizer sectors. The cement industry, the second highest coal user with a 37.7% share of aggregate consumption, registered a 25% growth clip, from 568.8 MBFOE to 711.1 MBFOE, as cement enjoyed a more pronnounced market demand with the surging construction activities in the country. The coco-vegetable and fertilizer sector also made double-digit increases in coal consumption with corresponding hikes in their production output being noted. Coal use in the coco-vegetable sector rose to 64.8 MBFOE, 19.7% higher than last year's 54.1 MBFOE level while the fertilizer sector's utilization rate improved by 11.1% from 12.2 MBFOE to 13.5 MBFOE.

The OEA said coal consumption is based on run-of-mine production or liftings. A metric ton of coal generates energy equivalent to 3.38 barrels of oil for power and other direct process sectors and 3.32 barrels of oil for cement plant production.

RP Coal Consumption, By Sector

1st Qtr., 1990/1989

(In MBFOE)

	1990	1989	% Change
Power Generation	787.8	1,069.8	(27.7)
Cement	711.1	568.8	25.0

RP Coal Consumption, By Sector (Continued)

1st Qtr., 1990/1989

(In MBFOE)

	1990	1989	% Change
Mining	254.8	270.8	(5.9)
Coco-Vegetable	64.8	64.1	19.7
Chemical	40.6	40.9	(0.6)
Steel & Metal	11.7	14.5	(19.8)
Fertilizer	13.5	12.2	11.1
Total	1,884.3	2,051.0	(8.1)

Percentage Distribution of Imported & Domestic Coal

	Volume	%
Local	1,354	72
Imported	530	28
Total	1,884	100

Source: Office of Energy Affairs

Thailand

Bush-Chatchai Talks on Cambodian Issue Reviewed

BK2606120190 Bangkok SIAM RAT in Thai 25 Jun 90 p 9

["Soi Suan Phlu" column by M.R. Khukrit Pramot]

[Excerpts] Prime Minister General Chatchai Chunhawan returned from his visit to the United States a few days ago. Of interest to the Thai people should be the news reports on what the prime minister did in the United States and the achievements gained from the trip. All the news reports about the trip came only from interviews given by the prime minister and the reports by the public relations section of the Prime Minister's Office. I feel that the reports on the trip still have not been sufficiently publicized. [passage omitted]

I would like to write about the talks between the Thai prime minister and U.S. President Bush, such as the issues discussed between the two leaders, the agreements they reached, and how Thailand will benefit from the agreements. The first issue I would like to discuss is the Cambodian issue.

I would like to translate President Bush's remarks on the Cambodian issue. He said: We welcome your commitment to the Cambodian peace efforts and appreciate what Thailand has done in bringing progress for the peace talks.

Although my translation is not so good, President Bush's remarks in English sounded good. The statement means that the United States agreed with and respected all of Thailand's efforts on the Cambodian issue.

The United States supports the Jakarta talks, which link a cease-fire with the establishment of a supreme national council in Cambodia. The supreme national council will be an important organization comprising representatives of the Cambodian factions. This will enable the step-by-step approach, which is a method of the Thai prime minister, to link to the target of a comprehensive solution, which is sought by the United States. Previously, the United States did not agree with Thailand's method on the Cambodian issue. The United States insisted only on a comprehensive solution. However, during the talks, U.S. President Bush agreed that the step-by-step approach is a correct method and relates to the U.S. method.

The fact that Thailand and the United States agreed on the Cambodian issue means that there is no political difference between the two countries. Especially in dealing with the Cambodian problem, Thailand and the Untied States have come up with a joint solution. [passage omitted]

Thai and U.S. efforts to solve the Cambodian problem at the regional and superpower level are moving in the same direction, and there is close coordination between the two sides. In fact, Thailand's method on solving the Cambodian problem first came from the prime minister. It seemed that other countries did not agree with this because they wanted the problem to be resolved comprehensively, not step by step. But after the prime minister's talks with President Bush, an identical view was reached for the first time. The United States agreed that Thailand's method on the Cambodian issue was correct, which could be called the first step that will link to the policy of a comprehensive solution.

As a result, the two different policies—one belonging to Thailand and the other belonging to the United States and other countries—have been joined into one, with coordinated efforts and activities planned. There are now brighter prospects for peace in Cambodia as well as for the establishment of an elected, democratic, and neutral government in Cambodia.

The Thai prime minister asked the U.S. President to ask China to reduce or stop sending weapons to the Khmer Rouge. He also held that Japan should hold talks with China in this regard, because of Japan's economic relations with China. U.S. President Bush agreed to discuss this issue with Japanese Prime Minister Kaifu. This is good, but I could not help wondering who in fact offers transit for the Chinese weapons to Cambodia. [passage omitted]

Future of Would-Be Vietnamese Refugees Unclear

BK2206033590 Bangkok BANGKOK POST in English 22 Jun 90 p 8

[Text] The future of would-be Vietnamese refugees in Thailand remains unclear as a deadline adopted by Southeast Asian countries and Hong Kong for dealing with the problem draws near. Countries hosting refugee centres hold the common position that if the US and Vietnam do not assent to a mandatory repatriation programme by July 1, an earlier agreement to provide temporary asylum will break down.

The one-year-old agreement, called the Comprehensive Plan of Action (CPA), allows for "alternatives" to be used if voluntary repatriation fails. However a Western source told the BANGKOK POST yesterday it is unlikely Thailand will be the scene of mass forced repatriation.

After July 1, first asylum countries will consider themselves free to follow their own course of action, which probably means the repatriation of Vietnamese who are determined to be economic migrants, the source said. However, screening programmes are still in their infancy and it is unlikely that Hanoi will give clearance for large numbers of returnees to enter the country. The source said some countries may therefore forcibly repatriate "a handful" of screened-out people as a token gesture.

In the meantime UN agencies, first asylum countries and resettlement countries are holding continuing discussions. "The discussions haven't reached a deadlock. The situation is not so bleak," he claimed. "The CPA is not dead in the water. It has entered choppy waters, but we have good captains." The source said the CPA had been successful in resettling a backlog of refugees and discouraging further arrivals. He added: "If the CPA collapses it would be a disappointment. The agreement has achieved a lot already."

As to the fate of displaced Cambodians in Thailand, the source said a proposed UN-administerd neutral camp remains on the drawing board. The concept is still alive but the camp's future hangs on unnamed "political developments." A recent UN delegation to Cambodia was a technical mission which looked only at the logistics of repatriation, such as road and rail facilities. The political aspects of repatriation are not under the consideration of the UN, the source said.

Prospects for Rice Exports After SRV Shortfall

BK1806083590 Bangkok BANGKOK POST in English 16 Jun 90 p 17

[Excerpt] The Rice Exporters' Association's chief yesterday hinted at better prospects for Thailand's rice exports as a result of Vietnam's problems in fulfilling its rice shipments. Association president Saman Ophatwong said he received a report from trading circles that Vietnam is facing problems with rice exports. This was reconfirmed by a Vietnamese senior official who was in Thailand recently and admitted his country's rice production did not reach its target, forcing a revised rice exports strategy.

Mr Saman quoted the trading report as saying Vietnam might not be able to fulfill its orders with several foreign governments and international rice brokers. If this is true, it will benefit Thailand tremendously as this country's rice exports have slowed substantially in the past few months because of increasing competition from Vietnam. He said several foreign brokers who had forward sales with foreign countries might have to buy Thai rice to meet their commitments.

Apart from the unexpected drop in production, Vietnam faces problems of poor transport services inland and at its ports. [passage omitted]

Surplus in May Border Trade With Laos Noted

BK2106124090 Bangkok Voice of Free Asia in Thai 1030 GMT 21 Jun 90

[Text] Thawat Lekhakun, Manager of the Bank of Thailand Governor's Office, reported that the economic situation of the Northeast in May improved considerably compared to that in April.

On Thai-Lao border trade, he said Thailand's trade surplus with Laos had doubled from the previous month. The combined trade value totalled about 223 million baht. Thai exports registered a total value of 135,400,000 baht, while the total import value was 87,700,000 baht. Therefore, Thailand enjoyed a surplus of 47,700,000 baht over the April figure when Thailand gained trade surplus of only 24,400,000 baht.

First Naval Exercises With Australia 24-27 Jun

BK1906014190 Bangkok BANGKOK POST in English 19 Jun 90 p 7

[Text] The first-ever joint Thai-Australian naval exercises will be held from June 24-27 off Sattahip in Rayong Province, the Australian Embassy in Bangkok announced yesterday.

The embassy said in a statement the exercises, codenamed "Aus-Siam 90," will involve two ships from each navy and one F27 Fokker aircraft from the Thai Navy's Air Wing. The Australian navy will send the Perth, a guided missile destroyer, and the Swan, a destroyer escort, to join two Thai frigates, the Makutraja-kuman and the Khirirat. It is hoped that the joint exercises will become an annual event between the two countries, the announcement said.

Opposition Files No-Confidence Motion 21 Jun

BK2206021590 Bangkok THE NATION in English 22 Jun 90 p 2

[Text] The opposition lodged a motion yesterday seeking a no-confidence debate against the entire Cabinet with Prime Minister Chatchai Chunhawan as the main target for alleged corruption and inefficiency. The motion, endorsed by 127 MPs [members of parliament] from six opposition parties, was formally presented to House Speaker Pancha Kesonthong by leaders of opposition parties at Parliament yesterday afternoon.

Solidarity Party leader Narong Wongwan said the Opposition decided to censure the Chatchai Administration because of widespread corruption among Cabinet members and its failure to tackle problems facing the country. "The government has failed to fulfill its policy statement presented to the House of Representatives and the majority of the Cabinet members are corrupt," he said. The opposition leader charged that the government had failed to win public confidence in its ability to maintain national security in the light of the political uncertainty following the resignation of Gen [General] Chawalit Yongchaiyut as deputy prime minister and defence minister.

Other opposition leaders present at Parliament included Prachakon Thai Party leader Samak Sunthorawet, Puangchon Chao Thai Party leader Athit Kamlang-ek and Phalang Tham Party secretary general Udomsin Sisaengnam. Samak said Prachakon Thai MPs and himself had gathered evidence of corruption by Cabinet ministers and the government's inefficiency, and were well-prepared for the debate, which has yet to be scheduled by the House speaker. "As for me, I will concentrate my debate on the government's inefficiency," he said. Udomsin also said Phalang Tham Party would focus its attack on corruption in the government and that it had enough evidence to back up its charges against certain Cabinet members, whom he declined to name.

Pancha told reporters after receiving the motion that he had yet to decide when the no-confidence should take place. "But I think the no-confidence debate should take place some time after the deliberation of the government's budget proposal for fiscal 1991 so as to give the public a break," the House speaker said. The House of Representatives will discuss the budget proposal on June 27-28. Pancha said he would ask the government to broadcast live both the deliberation of the budget proposal and the no-confidence debate.

Chatchai, asked to comment on the planned censure debate, said it was part of the Opposition's responsibility to monitor and review the performance of the government. "We (the government) are ready to face the Opposition in Parliament. We are ready to take it even if they want to do it (no confidence debate) for seven days on end," the prime minister said. PM's [Prime Minister's] Office Minister Suphattra Matsadit said government whips yesterday agreed that the no-confidence debate should not last more than two days.

Phalang Tham Party Leader on Possible Coup

BK2606033790 Bangkok BANGKOK POST in English 26 Jun 90 p 4

[Text] Phalang Tham Party leader Chamlong Simuang said yesterday a coup d'etat could take place if there were conditions conducive to it. The Bangkok governor, responding to a reporter's question if a coup was still possible, said it was wrong to think that the military would not dare stage a coup at this time because it would only destroy the country's economy. "To say this would enhance the country's economy and that would ruin it is a matter of opinion," he said. "This is not a basis on which to decide whether or not a coup would take place. We cannot say definitely this and that would not happen because everything depends on the situation," Maj-Gen [Major General] Chamlong said.

Asked whether it was possible there would be a coup, he said: "Yes. We can say that it should not happen, but I think it could happen when conditions permit. We cannot say it would not happen, although (a coup) would mean stepping backwards to start over again."

On the suggestion that Prime Minister Chatchai Chunhawan decided to retake the defence portfolio because he wanted to reduce the role of Supreme Commander Gen [General] Sunthon Khongsomphong, Maj-Gen Chamlong said this was not necessary because the Prime Minister by position was the military's highest commander and could give orders although he may not be defence minister. He said Gen Chatchai retook the position because it was vacant and it would not be suitable to leave it unfilled.

Asked whether there would be a major change in the government after the no-confidence debate, the Phalang Tham Party leader said nobody could say what was in the Prime Minister's mind. "But one thing I am confident will not happen is a dissolution of Parliament, because it is not easy for political parties to compete in elections and MPs [members of parliament] have been elected to Parliament for only about two years," Maj-Gen Chamlong said.

Interior Minister Says Government Still Stable

BK2206020190 Bangkok THE NATION in English 22 Jun 90 p 2

[Text] Interior Minister Banhan Sinlapa-acha paid a surprise visit yesterday to Gen [General] Chawalit Yongchaiyut and indicated that he had cleared a "minor misunderstanding" with the ex-deputy premier. Banhan spent about an hour inside Chawalit's Suan Phuttan residence in the evening and later told reporters there was nothing serious about the meeting. "Nothing serious. It's just a minor misunderstanding," he said. The minister said that Chawalit laughed when he heard his explanation.

Informed sources said Banhan was unhappy with rumours that he was behind PM's [Prime Minister's] Office Minister Chaloem Yubamrung's broadside against Chawalit earlier this month. Chawalit tendered his resignation as deputy premier and defence minister in part because of Chaloem's allegations that he was also corrupt. Banhan went over to Premier Chatchai's Ratchakhru residence afterwards.

Earlier, Banhan Sinlapa-acha who is also Chat Thai secretary general, emphatically stated that the government was still stable. "I can guarantee that the premier will not step down and there will be no House dissolution," he said.

He said the military was happy with the present political situation. "There is no show of force by the military. You can write that the public won't have to worry. The stock market index can soar now," he said.

Banhan said he had no knowledge about Chawalit's refusal to serve as adviser to the premier. "It's between the premier and Gen Chawalit. You have to ask the premier, and not me," said Banhan.

Industry Minister on Chat Thai Party Leadership

BK2506012190 Bangkok THE NATION in English 25 Jun 90 p 3

[Text] Industry Minister Praman Adireksan yesterday described Prime Minister Chatchai Chunhawan's invitation to Gen [General] Chawalit Yongchaiyut to lead Chat Thai Party as "his personal intention." Praman, who is chairman of the party's advisory board, said the whole party and not just a single person can decide who should be its leader. Praman was commenting on an offer made by Chatchai to Chawalit, the former deputy premier and defence minister, to lead Chat Thai Party.

"The prime minister is a talkative person. So he says what he has in mind," Praman said about the offer. "It is his personal intention... But there are rules in the party that have to be followed," said Praman who is engaged in a power struggle in the party with Chatchai. Chawalit has so far made no public commitment to the offer.

Chatchai has also repeatedly declared Chawalit his heir apparent as prime minister.

Interior Minister Banhan Sinlapa-acha, who is Chat Thai secretary general, refused to comment on the offer. "You should ask the prime minister first," he said after playing golf with Chatchai at Nawathani golf course.

Deputy Interior Minister Wattana Atsawahem said yesterday he would welcome Chawalit to join the Ratsadon Party. Ratsadon Party is only the latest political party trying to woo Chawalit since his resignation on June 11.

Commentator Calls for End to Political 'Charade'

BK2506004790 Bangkok THE NATION in English 25 Jun 90 p 1

["Commentary" by Suthichai Yun: "Stop This Charade; the Public Is Fed Up"]

[Text] For more than two weeks now, the powers-that-be have subjected the people to a series of ridiculous power-play politicking which has nothing to do with national interest. The public, as a result, has been plunged into a state of confusion, uncertainty and disillusionment. All this is unnecessary and has no place in a country which has vowed to show the world it is doing everything possible to achieve political maturity.

The parties engaged in the ongoing "psychological muscle-flexing" exercise must face up to the paramount question being asked from various non-partisan quarters: What, sir, is the real issue, after all?

The current sad state of affairs started off as a public trading of insults between two Cabinet members—an all-too-common phenomenon in a democratic system—that deteriorated into a drawing of the battleline between certain politicians on one side and some military officers on the other. It soon turned into a personal war of face-saving, with such familiar phrases as dignity, backstabbing, loyalty, political pressure etc thrown in as if the country didn't already have enough real serious problems to cope with, adding confusion to the unhealthy rumour-infested political landscape.

The public is not amused. The common citizens must have felt insulted by what appears to be a fight over personalities rather than issues of genuine substance. The war of nerves between certain political leaders and some in uniform has seen the free-wheeling exchange of both raw threats and sweet rhetoric to gain their respective political levers as if members of the public were fools who can't see through the smokescreen of the childish game.

We do not brand this as a confrontation between the political and military "establishments"--based on our conviction that a good number of members of the two institutions do share the belief that the present political bluffing has been a mishandled flip-flop from the very start. The daily confusing statements issued by both sides—covering the gamut of political skullduggery to threats of crude use of force—can only lead us to one conclusion: The political and military leaders have got themselves so involved in the tug-of-war that they cannot distinguish between personal vendettas and national issues.

The Thai people do not have to put up with such nonsense. They deserve a more responsible, receptive and sensible leadership at the top. The men charged with the country's most prestigious political and military duties have no right to impose such impudence on the country at large. The ballyhoo we see today is certainly not a matter of national interest. The political battle is getting too personal and the standoff has brought forth all kinds of cheap, shallow gimmicks on both sides. As a result, the nation's real issues have been sent to the backburner. Instead, we are treated to a circus. And the clowns aren't even funny.

The 1991 Budget is due for debate in the House this week. The country's real and urgent agenda is filled with challenging economic and social questions to be addressed. Those in power may believe they can divert public attention on the serious business of the nation by providing poorly-orchestrated entertainment shows. But the curtain has to come down at some point—even for the best comedy. The current tragic political drama has gone on for far too long. Have mercy on the country. Stop the charade now!

Chatchai's Options, Chawalit's Desires Analyzed

BK2406034690 Bangkok BANGKOK POST in English 24 Jun 90 p 7

[From the "Inprint" column: "Chatchai's Tactics"]

[Text] A temporary truce was struck in the final hour before Prime Minister Chatchai Chunhawan's departure to the United States when the Premier promised military leaders that he would reshuffle or improve the Cabinet after he returned from the US, according to Khao Phiset weekly. In return, the military promised that they would not cause trouble during the Prime Minister's absence.

The military kept its promise. The only movement it made during the Prime Minister's absence was the appointment of Gen [General] Chawalit as special adviser to the Supreme Command, Army, Navy and Air Force.

A strange remark made by the Prime Minister when he arrived in Bangkok was: "Why be an adviser? It is better to be Defence Minister. An adviser cannot do much and if people do not want the advice, he (the adviser) has to sit in silence." But the following morning, Gen Chatchai appointed Gen Chawalit as his adviser for national security, narcotics and foreign affairs—a strange move in the light of the Premier's earlier remark. At the same time, he also did not carry out a Cabinet reshuffle.

Khao Phiset weekly believes that while in the US, the Prime Minister might have had time to mull over four possible ways out. The first possibility was a Cabinet reshuffle, which would affect Minister without Portfolio Chaloem Yubamrung and Deputy Interior Minister Trairong Suwannakhiri. The second was to make a complete Cabinet reshuffle among the six coalition parties, ejecting Pol Capt [Police Captain] Chaloem from the Cabinet. The third was to resign and form a new government, while the fourth solution was to dissolve Parliament.

However, the first solution will not be easy to accomplish as Chaloem himself will not comply and the Democrat Party will withdraw. The second solution will accomplish nothing as the same old faces will still reappear after a reshuffle. The third solution will only work if the Prime Minister is sure that he can return to office. But there is a risk that rival factions will take the opportunity to form a new government. Gen Chatchai may not use the fourth solution, as he has said on many occasions that he will not dissolve Parliament.

Sources in the Chat Thai Party said that when the Prime Minister returned from the US, he was prepared to face the problem and make a decision. Now the Opposition has submitted a no-confidence motion which may take effect in about two weeks. If Gen Chatchai is defeated, he will take the opportunity to resign and form a new government.

Before making further political decisions, the prime minister will have to take into consideration Gen Chawalit's desires. The fact stands that if Gen Chawalit wants to be prime minister, he needs to make Gen Chatchai step down. There are only three ways to do so: The first is by making the Prime Minister resign while Gen Chawalit himself goes to the political parties for support, but Gen Chatchai will not resign carelessly without any guarantee. Gen Chawalit himself also has a problem as he is not a member of Parliament.

The second is to stage a "quiet coup" by using the "hidden powers" to press Gen Chatchai to step down, similar to the time when former prime minister Khuang Aphaiwong was forced by the military to resign, but nowadays such methods would face stiff opposition from political parties, industrialists and the general public.

The third is to apply political pressure so that Gen Chatchai has no choice but to dissolve Parliament. This course is favoured by Gen Chawalit, who needs a swift turn of events to grasp the premiership. If events are drawn out, it will be difficult for Gen Chawalit to seize the opportunity. Sources within the opposition Solidarity Party said that Gen Chawalit will choose this method and try every means to ensure that the Prime Minister dissolves Parliament.

Under the present situation, and with a legally-elected government, Gen Chatchai still has more status than Gen Chawalit. But conditions in the country allowed Gen Chawalit to shape situations according to his desire.

Nobody believes that Gen Chawalit resigned as Deputy Prime Minister and Defence Minister without planning. But so far, Gen Chatchai still plays an outstanding role, making full use of his political experience, and he will play this role for at least some time to come. An obvious example is the appointment of Gen Chawalit as his adviser, in spite of the fact that less than 12 hours earlier, Gen Chatchai had remarked that the position of "adviser" is meaningless.

Army Radio Says Chawalit Set 'Good Example'

BK2206042190 Bangkok THE NATION in English 22 Jun 90 p 3

[Text] Army radio stations yesterday stepped up their criticism of politicians while trying to promóte the political image of former deputy premier Gen [General] Chawalit Yongchaiyut. They alleged in a commentary that some Cabinet members tried to hold on to their posts even when the political situation demanded that they step down. The commentary mentioned no names. It was the second commentary broadcast over the army radio in two days that was critical of politicians.

On Wednesday, a commentary in the same Sayamanusati programme indirectly warned Prime Minister Chatchai Chunhawan of possible troubles that might arise if "bad people" were recruited into the government.

The commentary yesterday quoted contents of Chawalit's resignation letter and editorials from two Thai-language newspapers which were favourable to the former army chief. It said Chawalit set a good example for politicians by deciding to resign when he realised he could no longer contribute to the country. It claimed that it was very difficult to find a politician who would uphold principles over self-interest as Chawalit did. "Most of our Cabinet members always try to cling to their seats," it said.

The radio programme is produced by the Internal Security Operation Command, the anti-communist arm of the army. The programme normally reflects the thinking of senior army officials.

Commander Says Military Staying Out of Politics

BK2306024790 Bangkok BANGKOK POST in English 23 Jun 90 p 3

[Text] Army Commander-in-Chief Gen [General] Suchinda Khraprayun reaffirmed yesterday that the military was not interfering in politics. The Army Chief was speaking in Chiang Rai where he watched Third Army troops stage a mock combat operation and inspected Army positions along the border.

Asked to comment on Prime Minister Chatchai Chunhawan's remark in his capacity as Defence Minister on Thursday [21 June] that he would not allow the military to interfere in politics and did not want politics to interfere in military affairs, Gen Suchinda said: "We soldiers already are not interfering in politics."

Asked to what extent the military would be patient if interfered with, Gen Suchinda said: "There is a song called Tho Thahon Ot Thon. We soldiers have patience. If you don't believe it, I will sing the song for you."

Gen Suchinda declined to comment when asked about former deputy prime minister Gen Chawalit Yongchaiyut's rejection of the proposal appointing him prime minister's adviser. "I read a newspaper this morning while on the plane. M.R. Khukrit said 'Don't talk, don't talk'—I believe him."

On a letter sent to Gen Chatchai by two Ratsadon MPs [members of parliament] urging him to transfer senior military officers interfering in politics, Gen Suchinda laughed and joked: "That sounds good. It's time I was out of this position."

He said he did not think the MPs' action was provocative because "the greater the pressure, the stronger we soldiers become." Gen Suchinda said this did not indicate a conflict between the military and politicians. "We never have a conflict with anybody. How can we in the same nation have conflicts?" he asked.

Asked whether the present political wounds would heal, he said: "The wound may become a scar. It depends on the medicine. If the medicine is good, there will not be a scar. Medicine these days is very effective, I think."

Army Commander Wants Military Budget Increase

BK2406030390 Bangkok BANGKOK POST in English 24 Jun 90 p 3

[Text] Army Commander-in-Chief Gen [General] Suchinda Khraprayun yesterday called on the Government to provide more money this fiscal year for procurement of modern equipment and weapons.

Parliament is to debate the fiscal 1991 budget on Wednesday and Thursday. [27-28 June]

"We don't have any modern weapons. Modern weapons and equipment would be of great benefit to the country. The Government should increase the military budget," Gen Suchinda said.

The Army chief made his comments in Ratchaburi, where he presided over Army Engineering Corps Day at Phanurangsi Army Base. Also present at the celebration were Army Chief-of-Staff Gen Wirot Saengsanit, First Army Region Commander Lt-Gen [Lieutenant General] San Siphen, Special Warfare Unit Commander Lt-Col [Lieutenant Colonel] Khachon Ramanwong, Second Army Corps Commander Lt-Gen Ariya Ukhotkit and Engineering Corps Commander Lt-Gen Thawisit Sangsamwong.

Asked about MP [member of parliament] comments that there is no longer a domestic or foreign threat, Gen Suchinda said the development of the Armed Forces cannot stand still. "We don't know when war could break out. We cannot procure weapons at a moment's notice. It takes 3-4 years," he said. "The equipment you see here today is not the most modern. We buy cheap, so it is poor quality. Good equipment is necessary not only for warfare but for development work, so we should buy high quality," he said.

Asked about the Army's request that Prime Minister Chatchai Chunhawan look into buying surplus NATO arms during his recent visit to the US, Gen Suchinda said the US could not offer much to the Thai Army besides tanks. The US would sell Thailand some M48A5 tanks and the Thai Army would send officers to look at them in the US next month. It is not yet known how may tanks will be available.

Vietnam

Council Report Continues on Socioeconomic Plan

Installment Two

BK2406071790 Hanoi Domestic Service in Vietnamese 2300 GMT 21 Jun 90

["Second installment" of Council of Ministers' report read by Phan Van Khai, State Planning Commission chairman, at the 21 June sitting of the Eighth National Assembly's seventh session "on the implementation of the socioeconomic plan for the first half of 1990 and on measures aimed at intensifying the plan's implementation for the second half of the year"—recorded]

[Text] Regarding external economic relations, it is particularly important for the Ministry of Finance, the banking sector, the Ministry of Trade, and import consignees to definitely clear all debts incurred in the import of goods in order to buy export goods from various establishments and producers of export goods, considering this as an emergency measure to encourage the production of export goods in an effort to overfulfill the 1990 plan. Meanwhile, all sectors, localities, and establishments must also clear their debts to the state budget.

It is necessary to reorganize all export and import organs in the direction of centralizing all links and rigorously controlling the allotment of quotas aimed at preventing the importation of luxury and nonessential goods or goods that can promote competition with or cause disadvantage to local goods. It is also necessary to strictly prohibit all nonfunctional administrative agencies to engage directly in export and import activities.

We must, at an early date, enforce regulations for the management of foreign currencies in order to rigrously control all sources of hard currencies for proper use. As an immediate step, we must set aside an amount of Vietnamese money for the purchase of foreign currencies from the units earning foreign currencies for resale to the state. Banks are responsible for quickly rotating foreign currencies to meet the urgent needs arising from socioeconomic activities.

Fifth [as heard], it is necessary to intensify management over financial and monetary activities and the circulation of materials and goods. With the adoption of combined economic and administrative measures, we must continue to restrain the pace of price increases and inflation over 1989, striving to firmly maintain the results obtained in the struggle against inflation. Meanwhile, attention must be paid to predicting the situation of supply and demand of goods and the market prices situation, especially of some essential commodities, so that countermeasures can be adopted to stabilize market prices. It is important to increase the sources of supplies in order to ensure balance between supply and demand, and stabilize the prices of a number of essential commodities, farm products, and important industrial goods.

Budget deficit is a burning issue facing the state. Nonetheless, generally speaking, sectors and localities have always shown an excess of expenditure over revenue. Therefore, it is of utmost importance to reduce budget overdraft to the lowest level possible. To this end, we must increase state revenues in accordance with set policies and laws, regarding this as a very significant and decisive task to be carried out within the framework of the socioeconomic plan for the latter half of the year.

As an immediate objective, the Ministry of Finance and people's committees at all levels should collect all debts overdue, including debts overdue from external economic operations. At the same time, plans must be worked out to collect different types of taxes that have already been in force or that will be promulgated by the state. Efforts are needed to curb corruption, tax fraud, tax evasion, and tax collection shortfall. It is necessary to review revenue sources from loan payments and aid as well as to supplement import-export tax rates so as to protect goods produced locally and satisfactorily implement the import-export tax policy. It is important to devote more time to the settlement of accounts to enable people to promptly clear their debts from now until the end of the year, to accelerate production and business operations, to increase the sources of budget revenue, to put an end to the unauthorized use of one another's operating capital, and to create conditions for production and business installations to operate efficiently.

Under the guidance of the Council of Ministers, all echelons and sectors must regularly inspect financial activities, especially at the grass-roots level, in order to improve financial management and restore order and discipline in this work, as well as to verify all expenditures from the state budget. This is aimed at concentrating all sources of capital on the most important targets to ensure high socioeconomic efficiency.

It is necessary to adopt a rigid attitude against those deliberately committing acts that run counter to state regulations, claim back improper and unreasonable expentitures, and refrain from furnishing capital for the building of projects that do not follow correct construction procedures. We must ensure necessary expenditures for administrative and professional work and strive to satisfy the needs arising from national defense and security tasks, especially the livelihood of troops. Meanwhile, we must resolutely pare down lavish expenditures on meetings, receptions, gifts, and so forth.

In the last six months of the year, efforts must be focused on making a study to basically renovate the national financial policy in a way that suits the new situation. Regarding credit services, we must continue to ensure sufficient capital for the distribution of loans. However, we must control the categories and amounts of credit funds and liquid assets. In extending loans to production and business units, we must adhere to principles and ensure that principal is collected on schedule and that these units do business with profits. It is necessary to solve problems concerning capital for production among enterprises, especially those doing business scrupulously and efficiently.

All sectors should realize that although there is a very urgent need for cash, it is still necessary to examine and settle the situation to maintain a balance in numerous aspects. It is also necessary to anticipate various weaknesses so that countermeasures can be promptly adopted, while continuing to encourage the people to deposit some of their idle money in various banks for use in development.

Measures must be enforced by the banking sector to rigorously control and compel production and business units to turn in cash to various banks in accordance with state regulations. The banking sector must also deal severely with the practices of lavish spending and appropriating funds, apply the new law on banking system, quickly release various legal documents for concretizing the move to switch banking activities to economic accounting, correctly exercise its functions over monetary transactions, urgently prepare for the operations of specialized banks and nonstate credit funds, and continue adopting various measures to deal with the consequences of bankruptcy incurred by certain credit funds.

In the area of circulating goods, it is necessary to reassess the situation and clearly define duties for each profession or occupation of the state-operated trade sector. Under the conditions of a multicomponent commodity economy, we must allow goods to circulate freely and production establishments to sell some of their products and, on that basis, rationally reorganize all goods sectors, improve business methods, sharpen competition in the market, and ensure a leading role in the marketing of basic and essential commodities.

It is also necessary to quickly eliminate the situation in which private traders take advantage of the state-operated trade network to engage in business activities without paying taxes, while satisfactorily applying the system of business registration of private business households together with the system of [words indistinct] legal invoices and arranging places especially for tax payment in accordance with the law applied to private business households, especially medium and large households.

All sectors responsible for the circulation of materials and goods must closely follow the situation of production and life in each region and each period of time so that the purchase and sale of materials and goods—especially those in greatest demand—can be actively regulated to promptly meet the needs arising from production, while establishing a mechanism of [words indistinct] and preparing a reliable force for 1991.

Measures must be effected by the Ministry of Trade, the Ministry of Finance, and the banking sector to increase reserves and to facilitate the circulation of a number of materials and goods that are necessary for the control of typhoons, floods, and other natural calamities, as well as for seasonal consumption.

Meanwhile, it is the main responsibility of various general corporations and goods sectors to expand the wholesale market, regulate supply and demand, control the market, and stabilize prices throughout the country.

Installment Three

BK2406151790 Hanoi Domestic Service in Vietnamese 0500 GMT 22 Jun 90

["Third installment" of Council of Ministers' report read by Phan Van Khai, State Planning Commission chairman, at the 21 June sitting of the Eighth National Assembly's seventh session "on the implementation of the socioeconomic plan for the first half of 1990 and on measures aimed at intensifying the plan's implementation for the second half of the year"—recorded]

[Text] Sixth, we discuss measures to revolve pressing issues in the people's daily life. At present, income and employment are the most pressing problems. The Ministry of Labor, War Invalids, and Social Welfare; the Ministry of Finance; and other sectors, localities, and grass-roots units have taken measures to resolve unemployment. Efforts have been made to resolve surplus labor according to the plan formulated early this year while a sufficient budget has been provided for its implementation.

Though conditions for a wage increase are not favorable, we must strive to fully implement the existing regulations on allowances and assistance to those entitled. Particularly, we must ensure that they are fully paid according to the schedule for cadres, retirees, students, and members of the Armed Forces. We must concentrate our efforts on stabilizing prices and the market as we solve the problems and difficulties of our labor cooperation with foreign countries and at establishments producing goods for export.

(?Seventh), regarding culture, education, and social issues, while trying to end the 1989-90 academic year on a satisfactory note, the education and training sector must prepare for the 1990-91 school year. They must carry out student enrollment democratically and fairly. In building new material-technical bases, schools must try to manage and improve their existing ones. We must create favorable conditions for the new academic year, improve the daily life of the pupils, pay their allowances on time, improve boarding houses, study and formulate regulations on building schools with funds donated by the people and private schools to meet the 1990-91 academic year demand, and continue to revise teaching materials to suit new requirements.

The cultural, information, sports, and physical education sectors must consistently enhance the quality of their activities and organize lively programs to commemorate major anniversaries late this year. They must upgrade the technology of radio and television stations and publishing houses of journals and newspapers so as to be able to provide more information to rural people.

They must also promptly deal with violations to regulations on publication and confiscate culturally decadent books. We must review our experiences and consistently maintain national security and social order in the new situation. We must continue to suppress the henchmen of imperialism and criminals colluding with reactionaries who are undermining our security, thereby quickly restoring social order and safety.

Eighth, it is necessary to create favorable conditions for border provinces to fulfill the 1990 plan and to improve the daily life of ethnic minority groups. The most urgent requirements now are to organize the distribution of grain and essential consumer goods satisfactorily, promptly carry out forest preservation projects, afforestation, and the settlement of nomads. In addition to that we must provide sufficient fresh water for the highlands, and organize production and improve the daily life of ethnic minority groups in the mountain regions.

It is necessary to give priority to ensuring the central government's budgetary allocation efforts in accordance with the plan for the early part of this year, and rectify the collection of taxes—especially taxes levied on exports made across the border. It is also necessary to guide and supervise budgetary contributions by various economic establishments and to rearrange various capital construction projects with emphasis on carrying out those projects designed to remove bombs and mines in order to send the people back to their former places to earn their living. We must also tackle the water problem for high-lying areas, promote settled farming and settled life, and restore main communication routes leading to border entry-exit points. Central-level sectors must, within their responsibility, continue to guide the implementation of the Council of Ministers' Decision No. 42 on socioeconomic development in the mountain regions.

Ninth, in order to realize these specific measures, a decisive factor is to revamp management and the supervisory role of various organs, from the central level down to various sectors and echelons. Specific attention must be given to establishing and supervising the implementation of various specific regulations governing supply and demand, revenue and expenditure, and price control and regulation.

It is necessary to continue to revise and supplement various policies and specific regulations in such a way as to suit the new management mechanism. First of all, efforts must be made to substantiate and institutionalize those legal and judicial documents already promulgated by the National Assembly and the Council of State, intensify inspection and control activities, promptly deal with various problems and cases of violations, uphold a sense of discipline, safeguard socialist property, protect economic secrets, and ensure the uniform work supervision from the central down to the local and grass-roots levels and in the entire national economy.

On the basis of clearly defining the state management functions of various ministries and people's committees at various levels, it is necessary to continue to rearrange management organizations so as to quickly increase the operational quality and the managerial efficiency of the state apparatus with emphasis on the task of socioeconomic development. it is necessary to organize and provide close guidance for the anticorruption struggle with the emphasis on checking corrupt and bribe-taking practices and acts of deliberately misinterpreting policies and taking advantage of loopholes in the management mechanism to embezzle the property of the state and the people. This struggle must be directed at public organs and units directly charged with handling large sums of money and supplies. Those negative phenomena which have already been verified and brought into light must be handled promptly. The more serious a crime, the harsher the punitive measure must be taken.There should no no exception. This is a struggle to ameloriate state organs—a struggle that meets the people's demands and ensures efforts to associate the state with the people and vice versa. Meanwhile, urgent efforts must be made to reorganize and reexamine the system of economic and administrative management in order to promptly supplement and revise it against loopholes.

National Assembly Holds Discussions 23 Jun

BK2306071890 Hanoi Domestic Service in Vietnamese 0500 GMT 23 Jun 90

[Text] This morning, 23 June, the National Assembly deputies continued their group discussions on the implementation of the socioeconomic plan for the first half of 1990 and on measures aimed at stepping up the implementation of the socioeconomic plan for the second half of the year. This afternoon, the deputies will discuss the redelineation of the administrative boundaries of certain localities.

National Assembly Discusses Law on Maritime

BK2506060190 Hanoi Domestic Service in Vietnamese 0500 GMT 25 Jun 90

[Text] This morning, 25 June, the National Assembly met at the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu.

The National Assembly heard Comrade Bui Danh Luu, minister of communications and transportation, present a report on opinions contributing to the draft of a law on maritime and on the situation regarding maritime operations in our country. This is to enable the National Assembly to have more data to discuss this draft law. On debating the draft law, the deputies concentrated on such question as state management over maritime activities, the state policy toward various economic components engaged in maritime activities, the attraction of foreign investment in maritime operations, the registration of Vietnamese ships abroad and foreign ships in Vietnam, and maritime disputes. There were 14 suggestions made to the above questions.

The National Assembly voted in favor of a number of important points in the draft of the law on maritime.

Debates Operations

BK2506141190 Hanoi Domestic Service in Vietnamese 1100 GMT 25 Jun 90

[Summary] This morning at the conference hall, National Assembly deputies discussed the draft maritime law and the draft law on foreign investment in Vietnam.

"Comrade Bui Danh Luu, minister of communications, transportation, and posts, began with a report on opinions offered by National Assembly deputies and the amendments to the draft maritime law of Vietnam. He pointed out the key issues concerning Vietnam's maritime activities, including favorable conditions and difficulties, and what has and has not yet been done by our maritime sector. "Later, through their group discussions, the comrade minister solicited opinions from National Assembly deputies in contribution to the great issues of the draft law."

After they were briefed by Comrade Bui Danh Luu on these issues, National Assembly delegates debated three great issues on the draft maritime law:

"1. State management over maritime activities.
"2. Private ownership of sea vessels and operation of these vessels.
"3. Policy on foreign investment in activities related to the transportation of cargo and passengers in Vietnam.

"Regarding state management over maritime activities, the majority of deputies unanimously agreed to separate the port authority from the port enterprise. The port authority is to exercise the function of state management over maritime activities at ports, while the port enterprise is responsible for the management of business transactions."

The issue of maritime operations by the private sector was intensely debated, with differing viewpoints. Comrade Cu Huy Can said:

[Begin Cu Huy Can recording] We think the private sector should be given the right to ownership of sea vessels, with the scope of operation to be decided by the Council of Ministers. As far as national defense and security are concerned, we paid great attention to this matter in our group discussions. However, we think that later the Council of Ministers may consider the possibility of allowing our private vessels to operate in foreign countries, such as to the Soviet Union and some other friendly countries. Furthermore, reserving this right for the state-operated sector will not ensure national security and defense; rather, many combined measures have to be adopted. Therefore, we unanimously agree that the private sector be given the right to ownership of sea vessels. [end recording]

Some deputies suggested that the private sector in Vietnam should not be given the right to ownership of sea vessels but should only be encouraged to establish joint ventures with various state-operated economic components in order to amass its capital for investment in maritime transportation. "In the course of the debate, 369 out of the 392 deputies agreed to allow the private sector to engage in maritime activities on the condition that the scope of operation must be determined by the Council of Ministers.

"Many deputies expressed their views in favor of the policy on foreign investment in activities related to the transportation of cargo and passengers in Vietnam. They, however, disagreed with the idea that foreigners be allowed to make 100-percent capital investment in maritime transportation." Some deputies said that in the draft maritime law, all clauses must be clear and all technical words must be taken into consideration.

"From late this morning to late this afternoon, the deputies concentrated on discussing the draft law on foreign investment in Vietnam."

Deputies Urge Foreign Investment, Tax Measures

BK2606040290 Hanoi Domestic Service in Vietnamese 2300 GMT 25 Jun 90

[Text] On the morning and afternoon of 25 June, the National Assembly met at the conference hall to discuss the draft of a Vietnamese law on maritime and the draft of an amendment to the law on foreign investment in Vietnam. The session was chaired by National Assembly Vice Chairman Phung Van Tuu.

1. After hearing Comrade Bui Dan Luu, minister of communications, transportation, and posts, on behalf of the Council of Ministers, report on the opinions aired by the National Assembly deputies over the draft maritime law, 18 deputies expressed their views centering around a number of issues such as the state management over maritime operations at various seaports, the private ownership of sea vessels in Vietnam, and the attraction of foreign investment in maritime operations in Vietnam.

2. Vo Dong Giang, minister of state and deputy head of the state commission for cooperation and investment on behalf of the Council of Ministers, reported on the opinions aired by various National Assembly deputies over the draft of an amendment to a number of articles of the law on foreign investment in Vietnam. After hearing this report, 16 deputies gave their views on a number of issues such as authorizing the Vietnamese private sector to work separately in seeking cooperation and investment with foreign countries and authorizing Vietnamese economic organizations as well as foreign organizations or individuals to act as separate parties to achieve joint ventures. They also spoke in favor of granting income tax reduction or exemption to those joint venture enterprises engaged in the manufacture of goods needed for replacement of essential imports that

we are still unable to produce locally or that are in short supply for consumption within Vietnam.

The National Assembly voted on the above issues and assigned those commissions charged with drafting the laws to rectify these two draft laws before presenting them to the National Assembly for approval at its closing session.

On the morning of 26 June, the National Assembly will continue to meet at the conference hall to discuss the draft of an amendment to certain articles of the code of criminal procedures. Afterward, the deputies will hold group discussions.

Vo Nguyen Giap Departs for Indonesia, Malaysia

BK2506154590 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Jun 90

[Text] At the invitation of the Governments of Indonesia and Malaysia, General Vo Nguyen Giap, vice chairman of the Council of Ministers, left Vietnam on 25 June for an official visit to the Republic of Indonesia and Malaysia. General Vo Nguyen Giap was seen off by Comrades Vo Van Kiet, first vice chairman of the Council of Ministers, and Nguyen Di Nien, vice foreign minister. Indonesian Ambassador to Vietnam Aswimarmo and Malaysian Ambassador Paraneswaran were also present.

Joint Timber Venture With Australia Inaugurated

BK2106085190 Hanoi VNA in English 0658 GMT 21 Jun 90

[Text] Hanoi VNA June 21—A joint venture between Vietnam and Australia in timber exploitation and processing for export has been put into operation.

The undertaking, named SEATEC-Vietnam Ltd (Southeast Asia Timber Export Company of Vietnam), has a prescribed capital of 1,000,000 million [as received] U.S. dollars, of which 600,000 U.S. dollars is contributed by the Australian side. It is a joint venture between the Australian SEATEC and the Union of Assembling Enterprises of the Vietnamese Ministry of Agriculture and Food Industry.

In the first stage, the undertaking will invest in the application of advanced technologies and the organization of a new technology to process available materials into simple wood furniture for export to Japan, Hong Kong, Taiwan, etc where there is a great demand for this item.

In the present situation of Vietnam's economic opening, especially in the ever broader framework of the law on investment, such form of joint venture right in Vietnam like SEATEC-Vietnam is quite suitable. Besides a considerable foreign exchange contributed to the Vietnamese Government (estimated at 3,196,800 U.S. dollars), the undertaking has provided jobs for more than 1,000 Vietnamese workers using new technology and modern machinery and equipment. In the long term the joint venture also aims to join other establishments in restoring and exploiting local forests in a scientific way to ensure self-supply in raw materials.

Australia

Editorial Urges Burma's Military To Step Down

BK2206123090 Sydney THE AUSTRALIAN in English 8 Jun 90 p 10

[Editorial: "Burma Poll Leaves No Doubt"]

[Text] After the overwhelming victory of the democratic opposition in Burma's election, the proper course for the odious military dictatorship responsible for the impoverishment of this once-prosperous country over the past 30 years is to accept the verdict of the voters and relinquish power.

Suggestions that General Saw Maung's State Law and Order Restoration Council [SLORC] may seek to extend its life for at least another two years until a new Constitution is drawn up are outrageous. Despite blatant attempts by the authorities to ensure a different outcome, results declared by yesterday indicate the National League for Democracy, led by the charismatic Aung San Suu Kyi and former General Tin U—both of whom have been under house arrest for several months—will end up with about 75 percent of the popular vote and 400 of the seats in the new, 485-member Parliament.

The regime's National Unity Party has fewer than 10 of the 175 seats in which results so far have been officially declared. The other 91 parties that nominated candidates attracted negligible support.

Burma's 22 million voters have left no doubt about their feelings for the military regime and their support for a return to the parliamentary democracy robbed from them by General Ne Win soon after winning independence from Britain. The purportedly socialist generals who have plundered the nation's patrimony have been brought face-to-face with the reality they have for so long sought to deny—that they are heartily detested by most Burmese and that their regime has virtually no legitimacy in terms of popular support.

Victory for the opposition was not what General Saw Maung had in mind when, at the behest of General Ne Win, he staged his coup-within-a-coup in 1988 and, to quell the street demonstrations that had then claimed more than 3000 lives, reluctantly agreed to hold an election. Since then, the State Law and Order Restoration Council has done everything possible to ensure defeat for the opposition.

The incarceration of Aung San and Tin U is typical of the campaign to subvert the opposition. When the central executive committee of the victorious League for Democracy met in Rangoon last Sunday, five of its 10 members were absent—all under house arrest or in jail.

That such tactics failed and the opposition managed to win the election highlights the extent of popular dissatisfaction with the regime.

In such circumstances, the SLORC has no business trying to hang on to power—and nations such as Australia that have representation in Rangoon should use every channel to persuade General Saw Maung to accept the full implications of the people's verdict.

Haggling about a new Constitution is no real argument. There is one—that which bequeathed parliamentary democracy to Burma at independence in 1947, and which was then unlawfully usurped by General Ne Win. From her isolation, Aung San Suu Kyi sees this document as a basis for restoring democracy.

The election leaves no room for doubt. The soldiers have been given their marching orders and should go forthwith.

Fiji

Opposition Seeks To Block New Constitution

BK2406090990 Hong Kong AFP in English 0850 GMT 24 Jun 90

[Text] Suva, Jun 24 (AFP)—The opposition in Fiji has said it intends to seek international sanctions to help block a new constitution which it alleges has been drafted along racially divisive lines by the military-backed administration.

"All those countries who cried out against (events last year in) China will be asked to help prevent authoritarianism from engulfing this country," former Finance Minister Mahendra Chaudhry told a rally of the National Federation-Fiji Labour Party coalition Saturday [23 June].

Addressing 1,000 supporters in Nadi, on the west coast, Mr. Chaudhry urged Fijians "to speak out now against the constitution if we are to get a fair document. We're coming close to a time where we will be subjects of an authoritarian state." He alleged that if the interim administration lost power, "they will use the military to regain it."

The draft is intended to replace the 1970 constitution, which was abrogated after two military coups in 1987.

Party leader Adi Kuini Bavadra told the meeting that the proposed constitution would not only discriminate against ethnic Indians and small minorities, it would also "cause dissension and disunity" among indigenous Fijians, who make up about half the population of 720,000. The draft would guarantee indigenous Fijians a parliamentary majority with 37 of the 69 seats but stipulates that 30 of the seats allocated to them would be reserved for provincial chiefs.

Asserting that the proposal would breed "disunity and tribalism," Adi Kuini urged the 70-member great council of chiefs debating the draft to "look at means of uniting not only tribes within Fijians but Fijians with other races." Adi Kuini, 40, who became Fiji's first woman political leader after the death in November of her husband, deposed former Prime Minister Timoci Bavadra, told the rally that the country's greatest challenge was to foster multi-racialism.

The great council of chiefs, including Fiji's President Ratu Sir Penaia Ganilau and Prime Minister Ratu Sir Kamisese Mara, resumes its deliberations at an army barracks here Monday.

A former minister in the deposed Bavadra government, Temo Sukanivalu, told the rally that Fiji already faced "a huge exodus of skilled and professional Indians. We must ask how long can we replace out skills with recruits from Nigeria and China."

Chiefs Approve Pro-Fijian Draft Constitution

BK2506084390 Hong Kong AFP in English 0818 GMT 25 Jun 90

[Text] Suva, June 25 (AFP)—Fiji's Great Council of Chiefs Monday endorsed a draft constitution designed to keep political power in the hands of indigenous Fijians, a government minister said.

Fijian Affairs Minister Vatilai Navunisaravi said in a brief statement that the meeting of 70 of Fiji's highest ranking chiefs had approved the draft but gave no further details. The chiefs' meeting, which began last Thursday, was the last forum to discuss the government's proposed constitution.

The draft document gives Fijians 10 more seats than ethnic Indians and other races in the Fiji parliament. Fijians make up about half the 720,000 people in the Republic.

Fiji has been ruled by decree since May, 1987 when an Army coup deposed a short-lived Indian dominated government. Later the same year the interim government installed by the military tore up the 1970 post-independence constitution.

Papua New Guinea

Indonesian Troops Cross Border To Pursue Rebels

BK2606071590 Melbourne Overseas Service in English 0600 GMT 26 Jun 90

[Text] For the second time in two weeks, Indonesian troops have crossed the Papua New Guinea border from the province of Irian Jaya in pursuit of rebels of the Free Papua Movement, OPM. Radio Australia's Port Moresby correspondent Sean Dorney reports that Papua New Guinea soldiers are also in the area and the situation is tense following the kidnapping of two Indonesian soldiers by the rebels.

Papua New Guinea Government officials in Port Moresby have approached their Indonesian counterparts to get the Indonesian soldiers to pull back into Irian Jaya. About 200 Melanesian-Irianese village people had crossed over into Papua New Guinea in the past two weeks to flee military clashes between the guerrillas and the Indonesian troops in the remote (Yapse) area, about 200 kilometers south of the coastal border town of Vanimo.

Cabinet Reshuffled; Four Ministers Dropped

BK2506100490 Hong Kong AFP in English 0922 GMT 25 Jun 90

[Text] Port Moresby, June 25 (AFP)—Four cabinet ministers in Papua New Guinea resigned Monday to allow other members of Prime Minister Rabbie Namaliu's Pangu Party to gain government experience, Mr. Namaliu said. Announcing the reshuffle, Mr. Namaliu said the outgoing ministers had all performed satisfactorily and were leaving office "voluntarily."

He said this "would allow as many party members as possible the opportunity to take part in the cabinet process." Mr. Namaliu said the changes were in line with a decision of a Pangu Party caucus to review ministries every two years.

Government whip Tenda Lau took over as minister of agriculture from Galen Lang, while Tom Paias replaced Melchior Pep at the Correctional Services Ministry. The home affairs portfolio, held by Timothy Bonga, has gone to Mathew Bendumb, who briefly resigned from the party to protest Mr. Namaliu's style of government two months ago. Tony Ila, another party stalwart who temporarily quit earlier this year, replaces Peter Garong as minister of labour and employment.

Mr. Namaliu said he did not expect any more cabinet changes until after July's session of Parliament.

Monday's announcement came after reports that cabinet ministers were afraid that Mr. Namaliu was about to reward a former opposition leader with a ministerial post for defecting to the government.

Utula Samana led four members of the Melanesian United Front out of opposition on June 15, saying that the country's development depended upon political stability.